

Washington, Friday, January 22, 1960

Title 26—INTERNAL REVENUE,

Chapter 1—Internal Revenue Service, Department of the Treasury

[T.D. 6447]

PART 1—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DE-CEMBER 31, 1953

Integration of Qualified Pension, Profit-Sharing, Stock Bonus, and Annuity Plans With Benefits Under the Social Security Act

On November 14, 1959, a notice of proposed rule making with respect to amendment of paragraph (e)(2) of § 1.401-3 of the Income Tax Regulations (relating to integration of qualified pension, profit-sharing, stock bonus, and annuity plans with old-age and survivor's insurance benefits under the Social Security Act) was published in the FEDERAL REGISTER (24 F.R. 9269). The proposed amendment conforms such regulations to the Social Security Amendments of 1958 (72 Stat. 1013). After consideration of all such relevant matter as was presented by interested persons regarding the proposed amendment, the amendment as so proposed is hereby adopted.

[SEAL] DANA LATHAM, Commissioner of Internal Revenue.

Approved: January 18, 1960.

FRED C. SCHRIBNER, Jr.,
Acting Secretary of the Treasury.

In order to conform the Income Tax Regulations (26 CFR Part 1) to the Social Security Amendments of 1958 (72 Stat. 1013), such regulations are amended as follows:

Paragraph (e) (2) of § 1.401-3 is amended:

(A) By deleting "\$4,200" each place it appears and substituting in each place "\$4,800" in lieu thereof.

(B) By striking "20 percent" in the first sentence and substituting in lieu thereof "22 percent".

(C) By revising the second sentence to read as follows: "These assumptions take into consideration the changes made by the Social Security Amendments of 1958."

(D) By striking "1956" in the third sentence and substituting in lieu thereof "1959".

(E) By striking "1954" in the last sentence and substituting in lieu thereof "1958".

(Sec. 7805, 68A Stat. 917; 26 U.S.C. 7805) [F.R. Doc. 60-652; Filed, Jan. 21, 1960; 8:49 am.]

Title 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

Chapter I—Veterans Administration PART 3—VETERANS' CLAIMS

Payments to Wife, Child or Parent of a Competent Veteran Receiving Compensation Who Disappears

Part 3, Chapter I of Title 38 of the Code of Federal Regulations is amended by adding a new § 3.1539 as follows:

§ 3.1539 Payments to wife, child or parent of a competent veteran receiving compensation who disappears, 38 U.S.C. 358, as amended by Public Law 86–212.

(a) Provisions of law. The law provides that section 358 of Title 38, United States Code, is amended by striking out "an incompetent veteran" and inserting "a veteran." Thus, 38 U.S.C. 358, as amended, reads:

Where a veteran receiving compensation under this chapter disappears, the Administrator, in his discretion, may pay the compensation otherwise payable to the veteran to his wife, children, and parents. Payments made to a wife, child, or parent under the preceding sentence shall not exceed the amounts payable to each if the veteran had died from service-connected disability.

(b) Effect of the act. The amendment has the effect of eliminating the requirement that the veteran be incom-

(Continued on next page)

CONTENTS

Agricultural Marketing Service Proposed rule making: Milk in the greater Wheeling	Page
and Clarksburg, W. Va., mar- keting areas	535
Agriculture Department See Agricultural Marketing Service.	
Alien Property Office Notices: Goldsmith, Rachel, et al.; inten-	
tion to return vested property.	576
Civil Aeronautics Board Notices:	
Bonanza Air Lines, Inc.; hearing	570
Commerce Department	
Notices:	
Certain officials; delegation of authority to affix the seal of	
the Department	575
Graf, Frederick L.; report of ap-	
pointment and statement of financial interests	575
Hebert, Raymond E.; statement	010
of changes in financial in-	
terests	576
Federal Communications Com-	
mission	
Notices: Hearings, etc.:	
Hartsville Broadcasting Co.	
(WHSC) et al	569
Irvenna Broadcasting Co. et	
al	569
Jack T. Baillie Co	568 569
Johnson, Rodney F. (KWJJ) - Saarinen, John A., and Edwin	505
R	569
Santa Rosa Broadcasting Co.	569
Service Broadcasting Co	569
Vella, John	570 _. 570
Wilson, George	970
Federal Power Commission Notices:	
Delegation of final authority	570
Hearings, etc.:	3.0
Lake Shore Pipe Line Co. and	
United Natural Gas Co	570
Pauley Petroleum, Inc., et al	571

REpublic 7-7500

Extension 3261

Published daily, except Sundays, Mondays, and days following official Federal holidays, by the Office of the Federal Register, National Archives and Records Service, General Services Administration, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. 500, as amended; 44 U.S.C., ch. 8B), under regulations prescribed by the Administrative Committee of the Federal Register, approved by the President. Distribution is made only by the Superintendent of Documents, Govern-ment Printing Office, Washington 25, D.C. The FEDERAL REGISTER will be furnished by

mail to subscribers, free of postage, for \$1.50 per month or \$15.00 per year, payable in advance. The charge for individual copies (minimum 15 cents) varies in proportion to the size of the issue. Remit check or money order, made payable to the Superintendent

of Documents, directly to the Government Printing Office, Washington 25, D.C.

The regulatory material appearing herein is keyed to the CODE OF FEDERAL REGULATIONS, which is published, under 50 titles, pursuant to section 11 of the Federal Register Act, as amended August 5, 1953. The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of books and pocket supplements vary.

There are no restrictions on the republication of material appearing in the FEDERAL REGISTER, or the CODE OF FEDERAL REGULATIONS.

CFR SUPPLEMENTS

(As of January 1, 1960)

The following books are now available:

Title 36 (Revised) (\$3.00)

Title 46, Parts 146-149 (Revised) (\$6.00)

Order from Superintendent of Documents, Government Printing Office, Washington 25, D.C.

CONTENTS——Continued	
Food and Drug Administration	Page
Proposed rule making:	
Residues of a lubricant mixture	
consisting of kerosene or min-	
eral oil with fatty alcohols	
on metallic food containers:	
tolerance	556
Rules and regulations:	
Certain food additives; exemp-	
tion from requirements of	
tolerances; correction	535
Health, Education, and Welfare	

See Food and Drug Administra-

tion.

CONTENTS—Continued
Indian Affairs Bureau
Notices: Redelegation of authority; approval articles and by-laws, cooperative associations
Interior Department
See also Indian 'Affairs Bureau: Land Management Bureau. Notices:
Changes in financial interests: Brenton, Walter
Fackler, Ralph W Gamble, Lester R Griffith, F. W
Jones, Vivan B Llewellyn, Max R
Madgett, John P
Meyrick, Gordon S
Sickel, S. JSimonds, Willard B
Townsend, Stanley C
Wilder, Wilford D Delegation of authority; Bureau of Indian Affairs
Internal Revenue Service
Rules and regulations: Income tax; taxable years beginning after Dec. 31, 1953; integration of qualified pension, profit-sharing, stock bonus and annuity plans with benefits under the Social Security Act
Interstate Commerce Commission
Notices: Motor carrier transfer proceedings
Justice Department
See Alien Property Office.
Land Management Bureau
Notices: Outer Continental Shelf off Louisiana and Texas; oil and

the current month appears at the end of each issue beginning with the second issue of the 7 CFR

Page

574

574

574

574

574

574 575

575

575

575

575

533

Page Proposed rules: 1002_____ 535 1009_____ 535 **13 CFR** Proposed rules: 107_____ 556 21 CFR 121'____ 535 Proposed rules: 121_____ 556 26 (1954) CFR 38 CFR 3_____ 533 43 CFR Public land orders: 2020 (corrected by PLO 2045)_ 535 2044______ 535 2045______ 535 2046_____

CODIFICATION GUIDE A numerical list of the parts of the Code

of Federal Regulations affected by documents published in this issue. Proposed rules, as opposed to final actions, are identified as A Cumulative Codification Guide covering

petent in order to authorize payments to his dependents when he disappears. The provisions of § 3.281 are therefore made applicable to competent as well as incompetent veterans, except that where the competent veteran disappeared prior to September 1, 1959, the effective date of the award to his dependents will be fixed in accordance with the rule stated in paragraph (c)(2)(i) of this section.

(c) Effective date. The date of enactment of this act was September 1, 1959. No benefit based solely on the liberalizing provisions of this law may be made effective prior to date of enactment.

(1) Pending claims. The effective date of an award as to a claim for apportionment because of the disappearance of a competent veteran pending on the date of enactment will be September 1, 1959, if evidence otherwise establishes entitlement on that date. Pending claims will include:

(i) A claim not previously adjudicated.

(ii) A previously disallowed claim pending consideration on appeal.

(iii) A previously disallowed claim reopened by the receipt of any claim, evidence, or inquiry on which action was pending on date of enactment.

(iv) A previously disallowed claim reopened by the receipt of any claim, evidence or inquiry after date of enactment but within the appeal period.

(2) New claims—(i) Disappearance of veteran prior to September 1, 1959. All claims for apportionment, formal or informal, received on or after September

See Internal Revenue Service. **Veterans Administration**

Proposed rule making:

Treasury Department

Administrative waiver criteria_ Rules and regulations: Veterans' claims; payments to wife, child or parent of a competent veteran receiving compensation who disappears___

gas lease offer_____

Alaska (2 documents) _____

Washington_____

Securities and Exchange Com-

Consolidated Natural Gas Co.:

hearing _____

Small Business Administration

Investment companies_____

Rules and regulations:

Public land orders:

mission

Notices:

1, 1959, which are based on disappearance of the veteran prior to September 1, 1959, will be considered initial claims for the purpose of this law and the effective date will be determined under applicable laws and regulations relating to original claims but not earlier than September 1, 1959:

(ii) Disappearance of veteran on or after September 1, 1959. Where a veteran disappears on or after September 1, 1959, apportionment to his dependents will be effective the day following date of last payment to him. (Instruction 1, 38 U.S.C. 358, Public Law 86-212.)

(72 Stat. 1114; 38 U.S.C. 210)

This regulation is effective January 22, 1960.

ROBERT J. LAMPHERE, [SEAL] Associate Deputy Administrator.

[F.R. Doc. 60-649; Filed, Jan. 21, 1960; 8:48 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER B-FOOD AND FOOD PRODUCTS PART 121-FOOD ADDITIVES

Subpart B—Exemption of Certain Food Additives From the Requirements of Tolerances

SUBSTANCES GENERALLY RECOGNIZED AS SAFE; SPICES, SEASONINGS, FLAVORINGS. ESSENTIAL OILS, OLEORESINS, AND NAT-URAL EXTRACTIVES

Correction

In F.R. Doc. 60-391, appearing at page 404 of the issue for Tuesday, January 19, 1960, the following corrections should be made in the list of essential oils, etc., designated as § 121.101(e)(2):

1. The "Botanical name of plant source" for Cusparia bark should begin with the word "Galipea" rather than "Calipea."

2. The "Common name" listed as "Maringin" should read "Naringin."

Title 43—PUBLIC LANDS: INTERIOR

Chapter I-Bureau of Land Management, Department of the Interior

APPENDIX-PUBLIC LAND ORDERS

[Public Land Order 2044]

[82306]

WASHINGTON

Power Site Cancellation No. 134; Cancelling Power Site Classification No.

By virtue of the authority contained in the Act of March 3, 1879 (20 Stat. 394; 43 U.S.C. 31), and as Secretary of the Interior, it is ordered as follows:

Power Site Classification No. 81, approved July 22, 1924, which classified the

following-described lands as power sites, is hereby cancelled:

WILLAMETTE MERIDIAN

T. 14 N., R. 7 E.,

Sec. 2, lots 1, 2, 3, 4, 51/2 N1/2 and N1/2 SE1/4;

Sec. 2, lots 1, 2, 3, and 4.

T. 15 N., R. 7 E.,
Sec. 30, S½SE¼;
Sec. 32, NE¼ and N½NW¼.

T. 14 N., R. 8 E.,

Sec. 5, lots 2, 3, 4, 51/2 NW 1/4 and N 1/2 SW 1/4; Sec. 6, All.

The areas described aggregate 1,779.42 acres.

Some of the lands are within the Mt. Rainier National Park. The remainder are a part of the Snoqualmie National Forest.

Until 10:00 a.m. on April 15, 1960, the national forest lands shall be open only to application by the State of Washington under any statute or regulation applicable thereto, for the reservation to it or to any of its political subdivisions of any of the lands required as a rightof-way for a public highway or as a source of materials for the construction and maintenance of such highways, as provided by section 24 of the Federal Power Act as amended.

Commencing at 10:00 a.m. on April 15, 1960, the national forest lands shall be open to such other forms of disposition as may by law be made of national forest lands.

The national forest lands have been open to location under the mining laws pursuant to the act of August 11, 1955 (69 Stat. 682; 30 U.S.C. 621).

ROGER ERNST, Assistant Secretary of the Interior.

JANUARY 15, 1960,

[F.R. Doc. 60-631; Filed, Jan. 21, 1960; 8:45 a.m.]

> [Public Land Order 2045] [Fairbanks 022950]

ALASKA

Correcting Public Land Order No. 2020 of November 17, 1959

By virtue of the authority vested in the President and pursuant to Executive Order No. 10355 of May 26, 1952, it is ordered as follows:

In Federal Register Document 59-9949, appearing as Public Land Order No. 2020 of November 17, 1959, at pages 9474-9475 of the issue for Wednesday, November 25, 1959, the land description under Fairbanks 022963 for Noatak is hereby corrected to read as follows:

NOATAK

A tract of land on the Noatak River, north of Kotzebue, at approximate latitude 67°35' longitude 163°00' W., described as follows:

Beginning at Corner No. 1 of U.S. Survey 2037, being the northwest corner thereof; thence along an extension of the west line of such survey N. 18°51' E., 29 feet; thence N. 71°09' W., 180 feet; thence N. 14°58' W., 221.49 feet to the point of beginning; thence

N. 68°18' W., 140 feet; N. 21°42' E., 200 feet;

S. 68°18' E., 220 feet; S. 21°42' E., 200 feet;

N. 68°18' E., 80 feet to the point of begin-

The tract described contains 1.01 acres.

ROGER ERNST,

Assistant Secretary of the Interior.

JANUARY 18, 1960.

[F.R. Doc. 60-632; Filed, Jan. 21, 1960; 8:45 a.m.]

> [Public Land Order 2046] 1777531

ALASKA

Excluding Certain Lands From Chugach National Forest and Restoring Them for Purchase as a Trade and Manufacturina Site

By virtue of the authority vested in the President by section 1 of the Act of June 4, 1897 (30 Stat. 34, 36; 16 U.S.C. 473), and pursuant to Executive Order No. 10355 of May 26, 1952, it is ordered as follows:

The following-described tract of public land in Alaska, occupied as a trade and manufacturing site, is hereby excluded from the Chugach National Forest, Alaska, and restored, subject to valid existing rights, for purchase as a trade and manufacturing site under section 10 of the Act of May 14, 1898 (30 Stat. 413; 48 U.S.C. 461), as amended:

An area to be identified as United States Survey No. 3567, Tract A, 3.10 acres; latitude 60°31'20" N., longitude 145°47'30' W.

ROGER ERNST, Assistant Secretary of the Interior.

JANUARY 18, 1960.

[F.R. Doc. 60-633; Filed, Jan. 21, 1960; 8:45 a.m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Parts 1002, 1009]

[Docket No. AO-268-A5]

MILK IN GREATER WHEELING AND CLARKSBURG, W. VA., MARKET-ING AREAS

Decision on Proposed Amendments to Tentative Marketing Agreements and to Orders

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held at Wheeling, West Virginia, on September 29-30, 1959, pursuant to notice thereof issued on September 9, 1959 (24 F.R. 7381).

Upon the basis of the evidence introduced at the hearing and the record thereof, the Deputy Administrator, Agricultural Marketing Service, on December 29, 1959 (25 F.R. 9), filed with the Hearing Clerk, United States Department of Agriculture, his recommended decision containing notice of the opportunity to file written exceptions thereto.

The material issues on the record of the hearing relate to:

- 1. Expansion of the Greater Wheeling marketing area.
 - 2. The Class I prices.
 - (a) Seasonality and level of prices. .
 - (b) The supply-demand adjustors.
- 3. Specifying conditions under which a cooperative association would be handler on bulk tank milk.
- 4. Classifying milk transferred to a nonpool plant.
- 5. Miscellaneous and conforming changes.

Findings and conclusions. The following findings and conclusions on the material issues are based on evidence presented at the hearing and the record thereof:

1. The Greater Wheeling marketing area should be expanded to include Harrison County, Ohio. That part of Guernsey County, Ohio, not now in the marketing area and Union Township in Muskingum County, Ohio, should not be added to the marketing area.

Over 95 percent of the milk distributed in Harrison County is from handlers' plants regulated by either the Northeastern Ohio order or the Greater Wheeling order. Handlers regulated by the Wheeling order distribute over half of all fluid milk sold in Harrison County. Of 11 routes operated within the county, six are operated by Wheeling pool handlers, four by handlers regulated by the Northeastern Ohio order and one by an unregulated handler from a plant at New Philadelphia, Ohio. The amount of fluid milk distributed in Harrison County from the unregulated handler's plant is less than 5 percent of its total fluid milk product distribution and would not, therefore, subject such plant to full regulation. Furthermore, including Harrison County in the marketing area will not change the effective regulation for Northeastern Ohio pool handlers distributing fluid milk there, since the larger part of their sales is in the Northeastern Ohio marketing area.

Health regulations for the production and distribution of milk in Harrison County are similar to those in effect in the present marketing area.

Inclusion of Harrison County in the marketing area would assure the maintenance of stable marketing conditions within this additional territory and would make the marketing area conform more closely with the sales territory of regulated handlers. It is concluded that Harrison County should be included in the Greater Wheeling marketing area.

Inclusion of that part of Guernsey County not now in the marketing area and Union Township in Muskingum County, Ohio was supported by certain Wheeling handlers principally on the basis that sales in that territory by handlers regulated by the Wheeling order and by other nearby Federal orders are slightly more than half of the total sales and unregulated handlers selling there can procure milk supplies at prices less than Wheeling regulated handlers are required to pay.

Fluid milk is distributed in the part of

Fluid milk is distributed in the part of Guernsey County not in the marketing area and in Union Township by handlers regulated by the Wheeling, Northeastern Ohio and Columbus milk orders, and by unregulated handlers. Wheeling handlers distribute approximately 43 percent of the total fluid milk sales in these areas, and unregulated handlers account for approximately 48 percent. The remaining 9 percent is distributed by handlers regulated by other orders.

In a decision issued November 13, 1957 (22 F.R. 3173), it was concluded that because Wheeling handlers had a smaller portion of the business in Union Township and the remainder of Guernsey County, and because extension of regulation to this territory would involve unregulated handlers who had a major portion of their business elsewhere, such territory should not be made a part of the Greater Wheeling marketing area.

Wheeling handlers have since increased their sales in the area in question (43 percent of the total sales now as compared to approximately 36 percent two years ago). In view, however, of the substantial sales in this proposed territory by two unregulated handlers whose sales are mostly outside the proposed and presently regulated areas, the addition of Union Township and the remainder of Guernsey County is denied. The plants of the two handlers are located at Zanesville, Ohio. Extension of the marketing area as proposed would bring these plants under regulation as pool plants.

In conjunction with their proposal to expand the marketing area to Union Township and the remainder of Guernsey County, the proponent handlers proposed a change in one of the requirements of the pool plant definition, particularly, that the requirement that distributing plants distribute 5 percent of their total route disposition in the marketing area increased to 15 percent. They pointed out that by raising such requirement the Zanesville handlers would not qualify for pool status, but would be subject to compensatory payments on that quantity of milk distributed in the proposed area. This, they argued, would provide the price stability they claim is needed in Union Township and the remainder of Guernsey County without subjecting the entire operations of the Zanesville plants to full regulation. The record is not clear as to how a change in the requirements for pool status would affect other handlers in the market. The proposed change is not sufficiently supported and is denied.

It would not be possible to designate a marketing area of reasonable size which would include all sales outlets of each and every handler that would be subject to regulation. As additional territory would be added, the problems associated with the extension of regulation to dis-

tributors that make a substantial portion of their fluid milk sales outside the marketing area would be increased. By providing for a marketing area as proposed herein, regulation is at a minimum for milk distributors with a large proportion of their sales outside the marketing area and their operations will not be unduly disturbed with respect to the major portion of their sales in communities where they compete with other distributors who would not be regulated at all by any order.

2. The Wheeling and Clarksburg Class I differentials and supply-demand adjustments should be changed to modify the seasonal pattern and to attain closer alignment of prices during certain months with nearby markets.

The Greater Wheeling and Clarksburg orders should be amended to provide for Class I price differentials of \$1.42 and \$1.67, respectively, in the months of April through July, and \$1.88 and \$2.13, respectively, in the months of August through March.

The present Class I price differentials applicable to the Wheeling and Clarksburg orders are \$1.50 and \$1.75, respectively, for the months of February through July and \$1.95 and \$2.20, respectively, in all other months. These differentials are added to a basic formula price before adjustments for supplydemand relationships.

A producer association with substantial membership in both markets proposed that the months of February and March be included with those months when the seasonally high Class I differentials apply. Their proposal would result in an annual increase of approximately 8 cents per hundredweight in the respective Class I prices. A proposal of Wheeling handlers would use Class I differentials 5 cents lower than now in the order, but would include February at the higher seasonal level. This would reduce the average annual level by approximately one cent. Of other alternatives proposed at the hearing, one would lower the Clarksburg Class I price in relation to the Wheeling price and one would increase the Clarksburg Class I price 35 cents.

Another proposal made by producers would increase the standard utilization percentages used in the supply-demand adjustments in both orders. These proposed changes also would tend to increase the level of Class I milk prices in these markets.

There is a relationship between the Wheeling market and the Northeastern Ohio market which should be recognized in establishing Class I milk prices. Substantial amounts of milk priced at plants under the Northeastern Ohio order are distributed in the Wheeling marketing area. Also, there is an overlapping of the production areas of the two markets.

In support of their proposal, the producer association claimed that the original 15-cents per hundredweight differential of the Wheeling market over the Akron-Stark County, Ohio, area, which existed when the Wheeling order was issued, should be reestablished. It was claimed that historically such a differential has been shown necessary. Sub-

sequent changes in the prices pursuant to regulations applicable in the Akron-Stark County area have narrowed the difference of the Class I price differentials to 7.5 cents per hundredweight. The Akron-Stark County area is now part of the Northeastern Ohio marketing area.

The intermarket price relationship has also been affected by the supply-demand adjustments in these markets. Since May 1, 1958 (the effective date of the Wheeling and Clarksburg supply-demand adjustments), the Wheeling Class
I price has averaged 17 cents per hundredweight over the order Class I price in the Akron-Stark County area. Since the 5-cent increase in the Akron-Stark County Class I price differentials effective September 1, 1958, the average price difference has been 15.8 cents per hundredweight. The more recent increase of 2.5 cents in the Class I differentials in the Akron-Stark County area (at the time of incorporation into the Northeastern Ohio marketing area) was offset by changing the classification of certain products from Class I to Class II. From these considerations it is apparent that the claimed historical relationship has been largely maintained. Whether such a relationship should be continued in the future will depend on existing market conditions.

The Clarksburg market is also affected by intermarket relationships with the Wheeling and Tri-State markets. Considerable volumes of milk are distributed in the Clarksburg market by handlers regulated under the orders for the other two markets.

Since May 1, 1958, the Clarksburg Class I price has averaged 37 cents over the Class I price applicable at Marietta, Ohio (in the Athens district of the Tri-State milk order), from which city substantial quantities of fluid milk are distributed in the Clarksburg marketing area. The cost of transportation for the distance of 79 miles from Marietta, Ohio, to Clarksburg would not justify any increase in such price difference between the two markets. Furthermore, continuance of the distributing of milk in the Clarksburg market by at least one Wheeling handler also shows that there is no justification for widening the differential between these two markets on the basis of the cost of moving the milk.

The importance of intermarket relationships should be recognized with respect to the change in the seasonal pattern of Class I price differentials under the Northeastern Ohio milk order. The Wheeling and Clarksburg orders should be amended, therefore, to provide for Class I price differentials of \$1.42 and \$1.67, respectively, in the months of April through July and \$1.88 and \$2.13, respectively, in the months of August through March. This change will increase by 38 cents the Class I price differentials applicable during February and March and will decrease by 8 and 7 cents, respectively, the differentials applicable during the months of April through July and August through January, thus maintaining approximately the present annual level of Class I price differentials (an increase of 1/6 cent) while providing for the same seasonal

changes in Class I price differentials as under the Northeastern Ohio milk order.

Besides the intermarket relations, the local supply-demand situations in the Wheeling and Clarksburg markets are important considerations in determining the appropriate price levels. At those pool plants which depend primarily on producer milk, supplies have been increasing faster than Class I sales. For the year 1957, at such plants producer receipts were 117.8 and 117.1 percent of Class I sales in Wheeling and Clarksburg, respectively, and correspondingly for the year 1958, producer receipts were 123.6 and 125.0 percent of Class I sales in Wheeling and Clarksburg, respec-Although these figures show tively. some increase in the level of supply on an annual average basis, there has continued to be periods in the fall and winter months when both markets have experienced a relatively short supply. Such temporary variations in the supply situation, should be reflected in the level of the Class I prices through the supplydemand adjustments in both orders.

When the supply-demand adjusters were incorporated in the Wheeling and Clarksburg orders (May 1, 1958), standard utilization percentages were adopted which were based on the record of the hearing held February 14, 1958. At that time both producers and handlers testifled that in the shortest production months producer milk equal to 110 percent of Class I disposition was sufficient to meet the Class I needs of the market. This figure was adopted as the minimum standard utilization percentage in both orders for the shortest production months. For the months in which price adjustment would be made on the basis of this standard, the Class I prices would be adjusted upwards if producer milk was less than 110 percent of Class I disposition. A range of three points above 110 percent within which no price adjustment would occur was provided to guard against fluctuating price adjustments when there was no significant change in the relation of supplies to Class I needs. A supply-sales relationship above 113 percent in these months would be the basis for price reduction. Higher standard utilization percentages in other months recognized the natural seasonal variation in milk production and seasonal changes in Class I sales.

Producers proposed that the standard utilization percentages be adjusted upward in 10 months of the year. Their proposal would increase the yearly average of the lower side of the monthly range of standard utilization percentages from 118 to 122.75. They pointed out that since the supply-demand adjustors became effective on May 1, 1958, they have operated to reduce the price in all but three months in Wheeling and all but two months in Clarksburg. They argued that the standard utilization percentages should be at a level more nearly in line with the standard utilization percentages now in effect in the Northeastern Ohio milk order. Furthermore, it was pointed out that the standard utilization percentages in the Wheeling and Clarksburg orders have now been in effect for a sufficient period of time so that they should be revised based on the ac-

tual experience and changes in the market conditions.

Experience shows that producer milk equal to 110 percent of Class I disposition is not sufficient to insure that the Wheeling and Clarksburg markets will be adequately supplied. To some extent, therefore, the present standard utilization percentages have depressed the Class I prices unnecessarily during the months of shortest production. However, because of the relationships with other nearby Federal order markets and the tendency toward increasing supplies of producer milk in relation to Class I sales there is no justification for any substantial increase in the annual level of the Class I prices through the operation of the supply-demand adjustments.

Accordingly, the standard utilization percentages should be revised in recognition of the necessity for larger reserves of producer milk in some months and the necessity for maintaining approximately the same annual level of Class I prices. As in the case of the supply-demand computations now in the orders, the standard should apply to milk utilization at all pool plants except those which obtain 50 percent or more of their milk supplies from plants regulated under other orders.

During the months of January, February and March of each year since the inception of the Wheeling and Clarksburg orders the receipts of producer milk in each market have been as low in relation to Class I sales in most instances as at any other time during the year. This condition should be reflected in the revised standard utilization percentages.

The revised standard utilization percentages in Wheeling and Clarksburg would be as follows:

Month for which price applies	Months for which average utilization is com-	Standard utilization percentages		
	puted	Mini- mum	Maxi- mum	
January February March April May June July August September October November December	November-December_ December-January January-February February-March March-April April-May May-June June-July July-August August-September October-November	117 117 115 115 117 129 136 126 117 113 113	120 120 118 118 120 132 139 129 120 116 116 116	

The same schedule of standard utilization percentages should apply in both the Wheeling and Clarksburg markets inasmuch as similar seasonal changes in production occur in both markets. Any difference in the level of actual utilization in the two markets should be reflected in separate supply-demand adjustments for each market in the manner now employed in the orders. In view of the shorter supply situation in recent periods in the Clarksburg market as compared to Wheeling, the provision of the Clarksburg order which restricts the action of the supply-demand adjustment in relation to the Wheeling Class I price should be reexamined. This provision is that the Clarksburg Class I

price may exceed the Wheeling Class I price by not less than 15 cents nor by more than 30 cents. The recent tend-ency of the supply to be shorter in Clarksburg than in Wheeling should be recognized in allowing the action of the Clarksburg supply-demand adjustment to cause the price to be as much as 35 cents over the Wheeling price.

The present tie-in of the Wheeling supply-demand adjustment with the supply-demand adjustment effective under the Northeastern Ohio milk order should be continued. The effective Wheeling supply-demand adjustment cannot vary by more than 15 cents from the supply-demand adjustment effective under the Northeastern Ohio milk order for the previous month. The tie-in recognizes the interrelationship of supplies for these two markets and tends to insure that the Wheeling Class I price will maintain an appropriate relationship with the major milk market in nearby areas.

Producers proposed that the Northeastern Ohio supply-demand adjustment for the current month rather than such adjustment for the preceding month be used in the computation of the Wheeling

supply-demand adjustment.

Adoption of this proposal would necessarily result in a delay in the announcement of the Wheeling Class I price, which is now announced on the 11th day of the month. The supply-demand computation for the Northeastern Ohio marketing area may be announced after the administrator for the market has computed the uniform price for the preceding month, which must be announced on the 14th. Handlers were opposed to any delay in announcing the Wheeling Class I price. Had this proposal been in effect during the period for which Wheeling has had a separate supplydemand adjustor it would have caused a slight change in the Wheeling Class I price in only one month. It is likely, therefore, that this proposal if adopted would have very little effect on the level of the Wheeling Class I price. The proposed change is not necessary and is denied.

3. Under certain conditions a cooperative association should be designated as a handler with respect to milk it receives from producers in bulk tank trucks.

Producers in the Greater Wheeling and Clarksburg markets are in the process of converting from can to bulk tank delivery. Although the principal cooperative association is not now receiving milk from producers in bulk tank trucks. it is anticipated that they will in the near future.

When a cooperative association controls the bulk tank trucks receiving milk from producers' farm tanks, the weights and butterfat content of each producer's deliveries are ascertained at the farm. The pool plant operator receiving such milk would have no information regarding individual producer's weights and tests except as such information is made available to him by the cooperative association.

Under the above mentioned conditions it would be administratively feasible for such plant operators to pay the cooperative association for such milk at not less than the applicable class prices for producer milk at the location of the pool plant to which it is delivered by the tank truck. This would be accomplished most effectively by designating a cooperative association as a handler with respect to milk received from producers in tank trucks operated under the control of such cooperative when such milk is moved directly from the farm to pool plant.

The cooperative association should be responsible in the accounting and payment under the order for the milk from each producer's farm contained in any farm pick-up tank truck operated under its control, irrespective of whether deliveries are made to a single plant or to a number of plants.

4. The transfer provisions of the Greater Wheeling and Clarksburg orders should be revised to give consideration to the classification of skim milk and butterfat transferred to a nonpool plant where there is Class I disposition.

Under the present provisions of the respective orders, skim milk and butterfat transferred to a nonpool plant may be classified as Class II if certain conditions are met. One such condition is that the receiving nonpool plant utilize an equivalent quantity of skim milk and butterfat in Class II during the month.

If such nonpool plant also has disposition in the form of Class I products as defined in the order, the question may arise as to whether the nonpool plant uses the milk transferred from the pool plant for such Class I disposition. If the transferred milk is the only milk at the nonpool plant qualified for fluid consumption, it is reasonable to expect that it was used to supply the nonpool

plant's Class I disposition.

Such considerations in the proper classification of milk transferred to nonpool plants should allow Grade A dairy farmers regularly delivering their milk to the nonpool plant to have prior claim on the Class I disposition. Ungraded fluid milk products disposed of by the nonpool plant should not be accounted for as Class I disposition of the nonpool plant. Other disposition by the nonpool plant which is covered by the definition of Class I milk should be credited to the transfers from pool plants on the basis of proration to milk from all Federal order plants which transferred milk to such nonpool plant during the month.

The method herein recommended for classifying transfers and diversions from pool plants to nonpool plants accords equitable treatment to Wheeling and Clarksburg order handlers and gives appropriate recognition to handlers in other regulated markets in the classification of milk transferred to a common nonpool plant. Giving priority to Grade A dairy farmers directly supplying a nonpool plant recognizes that they are the regular and dependable source of supply of milk for fluid use at such plant. The proposed method of classification will safeguard the primary functions of the transfer provisions of the respective orders by promoting orderly disposal of reserve supplies and in assuring that shipments to nonpool plants will be classified in an equitable manner.

- 5. Miscellaneous and conforming changes.
- a. Prices for base and excess milk under the Greater Wheeling and Clarksburg orders should apply during the months of April through July instead of March through July.

March, in recent years, has been a month of relatively short supply, and accordingly there is no need to apply base and excess payments in this month. April through July are the four months of seasonally highest production in both the Wheeling and Clarksburg markets. The change herein recommended was proposed by the cooperative association representing a majority of producers on both markets and was unopposed at the hearing.

b. The allowance on shrinkage under the Wheeling and Clarksburg orders should be revised to provide that shrinkage shall be prorated only to those receipts which are in the form of fluid milk products.

Skim milk and butterfat in manufactured products are accounted for on a used-to-produce basis and any processing loss involved is included in the amount of skim milk and butterfat reported as used. The proration of shrinkage to other source milk, therefore, should be on the basis of skim milk and butterfat received in other sourcemilk in the form of fluid milk products only.

Under the present provisions of both orders (§§ 1002.63 and 1009.63) the operator of a pool plant may divert milk to the pool plant of another handler for his account. In such cases the diverting handler is responsible for the reporting, classification and payment for such milk. The order should be made clear, however. that any shrinkage allowance on such diverted milk should accrue to the pool plant operator physically receiving such milk.

- c. The Wheeling and Clarksburg orders now provide for a reclassification charge on inventories. This charge applies when under the allocation procedure any part of beginning inventory is assigned to Class I milk. The reclassification charge is limited, however, to the amount of producer milk assigned to Class II milk in the preceding month. The rate of reclassification charge is the difference between the Class II price of the preceding month (since closing inventory is classified as Class II milk) and the Class I price of the current month.
- A proposal made by producers would apply a further reclassification charge when beginning inventory allocated to Class I milk represents milk received in the previous month from unregulated sources. Such a reclassification charge would be at the same rate as the compensatory payment applied to current receipts of other source milk classified as Class I milk.

Compensatory payments do not apply to other source milk which has been priced as Class I milk under another Federal order, but may apply when milk is received from unregulated sources orfrom other Federal order markets where it is not priced as Class I milk.

Similarly, in the case of inventory reclassification, a charge should not apply if, after reclassification of producer milk in inventory, the remaining amount of beginning inventory assigned to Class I may be assigned to supplies received in the previous month which were classified and priced as Class I under another Federal order. Accordingly, after arriving at a reclassification charge on producer milk in inventory, the remaining amount of beginning inventory which has been allocated to Class I should be reduced to the extent that receipts during the previous month from other Federal order markets were allocated to Class II milk although classified and priced as Class I milk under the other orders. The then remaining amount of reclassified inventory would be subject to compensatory payment.

d. The Wheeling and Clarksburg orders should be amended to provide for the charging of interest at the rate of one-half of one percent per month or any portion thereof on overdue obligations to the producer-settlement funds and to a cooperative association on amounts owed such association for producer milk for which it is a handler.

Prompt payment to the producer-settlement fund is essential to the operation of the marketwide pool. Charging interest at the above rate will encourage handlers to make payments to such fund within the time specified. Since a cooperative association as a handler on bulk tank milk may be required to make payments to the producer-settlement fund from money owed it by handlers, an interest charge is also provided on such accounts.

Producers also proposed that interest be charged handlers on any authorized deduction from payments due producers for remittance to a cooperative association which are not remitted by the date specified in the order. The evidence does not show that a serious problem exists in this regard and accordingly, the proposal is denied.

- e. Under the present provisions of the Wheeling and Clarksburg orders producer milk may be diverted on not more than 10 days during each of the months of August through February. This provision is intended to limit diversions to 10 days of production during such months. The orders should specify, therefore, that if milk is received from a producer every-other-day it may be diverted on not more than 5 days during each of the months of August through February.
- f. One of the formulas used in the Greater Wheeling and Clarksburg orders for computing the basic formula price is the average of the prices paid for milk from dairy farmers at specified plants in Wisconsin and Michigan. One of the 13 plants now listed in the orders (Pet Milk Co., Hudson, Michigan) is no longer in operation. Accordingly, only the 12 plants now operating are listed in the revised orders as the plants whose prices paid to dairy farmers shall be used in determining the basic formula price under the orders.
- g. The Greater Wheeling marketing area designation should specify Liverpool Township instead of East Liverpool

Township in Columbiana County, Ohio. The decision and order of the Secretary issued September 6, 1955 (20 F.R. 6635) stated clearly that the marketing area should include all of the territory in Liverpool Township. This revision will not change the scope of regulation but will provide for the correct reference to such township in the marketing area designation.

- h. The reference to "Cleveland, Ohio" in § 1002.51(a) (2) of the Wheeling order should be changed to "Northeastern Ohio" to conform with the recently revised designation of Federal order No. 75.
- i. In order to facilitate the determination as to which Federal order applies in cases where a plant is associated also with another market, the wording of §§ 1002.61 and 1009.61 should be revised. The qualifications stated in paragraph (a) should be the basis for such determination by the market administrator unless the Secretary determines otherwise.
- j. The designation of a cooperative association as a handler on bulk tank milk requires a modification of the pool plant definition to insure that such milk is included in the computation determining pool status of distributing and supply plants.

Rulings on proposed findings and conclusions. Briefs and proposed findings and conclusions were filed on behalf of certain interested parties in the markets. These briefs, proposed findings and conclusions and the evidence in the record were considered in making the findings and conclusions set forth above. To the extent that the suggested findings and conclusions filed by interested parties are inconsistent with the findings and conclusions set forth herein, the requests to make such findings or reach such conclusions are denied for the reasons previously stated in this decision.

General findings. The findings and

General findings. The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid orders and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) The tentative marketing agreements and the orders, as hereby proposed to be amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(b) The parity prices of milk as determined pursuant to section 2 of the Act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the marketing areas and the minimum prices specified in the proposed marketing agreements and the orders, as hereby proposed to be amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The tentative marketing agreements and the orders, as hereby proposed to be amended, will regulate the handling of milk in the same manner as, and will be applicable only to persons in the respective classes of industrial and commercial activity specified in, a marketing agreement upon which a hearing has been held.

Rulings on exceptions. In arriving at the findings and conclusions, and the regulatory provisions of this decision, each of the excéptions received was carefully and fully considered in conjunction with the record evidence pertaining thereto. To the extent that the findings and conclusions, and the regulatory provisions of this decision are at variance with any of the exceptions, such exceptions are hereby overruled for the reasons previously stated in this decision.

Marketing agreements and Annexed hereto and made a part hereof are four documents entitled, respectively, "Marketing Agreement Regulating the Handling of Milk in the Greater Wheeling Marketing Area", "Order amending the Order Regulating the Handling of Milk in the Greater Wheeling Marketing Area", "Marketing Agreement Regulating the Handling of Milk in the Clarksburg, West Virginia, Marketing Area and Order Amending the Order Regulating the Handling of Milk in the Clarksburg. West Virginia, Marketing Area", which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions.

It is hereby ordered, That all of this decision, except the attached marketing agreements, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreements are identical with those contained in the orders as hereby proposed to be amended by the attached orders which will be published with this decision.

Determination of representative period. The month of October 1959 is hereby determined to be the representative period for the purpose of ascertaining whether the issuance of the attached order amending the order regulating the handling of milk in the Clarksburg, West Virginia, marketing area, is approved or favored by producers, as defined under the terms of the order as hereby proposed to be amended, and who, during such representative period, were engaged in the production of milk for sale within the aforesaid marketing area.

Referendum Order; Determination of Representative Period; and Designation of Referendum Agent

It is hereby directed that a referendum be conducted to determine whether the issuance of the attached order amending the order regulating the handling of milk in the Greater Wheeling marketing area, is approved or favored by the producers, as defined under the terms of the order, as hereby proposed to be amended, and who, during the representative period, were engaged in the production of milk for sale within the aforesaid marketing area.

The month of October 1959 is hereby determined to be the representative

the conduct of such period for referendum.

William Kidd is hereby designated agent of the Secretary to conduct such referendum in accordance with the procedure for the conduct of referenda to determine producer approval of milk marketing orders (15 F.R. 5177), such referendum to be completed on or before the 30th day from the date this decision

Issued at Washington, D.C., this 18th day of January, 1960.

CLARENCE L. MILLER, Assistant Secretary.

Order 1 Amending the Order Regulating the Handling of Milk in the Greater Wheeling Marketing Area

Sec.					
1002.0	Findings and determinations.				
	DEFINITIONS				
1002.1	Act.				
1002.2	Secretary.				
1002.3	Department of Agriculture.				
1002.4	Person.				
1002.5	Greater Wheeling marketing area.				
1002.6	Producer.				
1002.7	Approved plant.				
1002.8	Distributing plant.				
1002.9	Supply plant.				
1002.10	Pool plant.				
1002.11	Nonpool plant.				
1002.12	Handler.				
1002.13	Producer-handler.				
1002.14	Producer milk.				
1002.15	Fluid milk product.				
1002.16	Other source milk.				
1002.17	Cooperative association.				
1002.18	Chicago butter price.				
1002.19	Base milk.				
1002.20	Excess milk.				
	MARKET ADMINISTRATOR				
1002.25	Designation.				
1002.26	Powers.				

1002.27 Duties. PERCETS PECCERS AND FACILITIES

1011 01110, 1011001110 11110 1 110111111				
1002.30	Reports of sources and utilization.	aı		
1002.31	Other reports.	tŀ		
1002.32	Records and facilities.	aı		
1002.33	Retention of records.	91		

Claims maille and buttoufor to

CLASSIFICATION, OF MILK

1002.40	OKIIII	mmr	anu	Duvierrat	.0.00
	clas	sified.			
1002.41	Classe	s of ut	ilizati	on.	
	_				

^{1002.42} Responsibility of handlers.

1002.46 Inventory reclassification.

	MINIMUM PRICES
1002.50	Basic formula price.
1002.51	Class prices.
1002.52	Butterfat differentials to handlers.
1002.53	Location differentials to handlers.
1002.54	Rate of compensatory payments.
1002.55	Use of equivalent prices.

APPLICATION OF PROVISIONS

1002.60	Produc	er-handle	ers.		
1002.61	Plants	subject	to	other	Federal
orders.					

^{1002.62} Handlers operating nonpool plants.

1002.63 Milk caused by a handler to be delivered to another handler's pool plant.

DETERMINATION OF PRICES TO PRODUCERS

1002.70	Computation of the obligation of
	each handler.
1002.71	Computation of the uniform price.
1002.72	Computation of uniform prices for
	base milk and excess milk.
1002.73	Butterfat differential to producers.
1002.74	Location differential to producers.
1002.75	Notification of handlers.
	_

PAYMENTS

1002.80	Time and method of payment.				
1002.81	Producer-settlement fund.				
1002.82	Payments to the producer-settle- ment fund.				
1002.83	Payments out of the procedure-set- tlement fund.				
1002.84	Adjustment of accounts.				
1002.85	Marketing services.				
1002.86	Expenses of administration.				
1002.87	Termination of obligations.				

DETERMINATION OF BASE

1002.90	Computation	of	daily	average	base
	for each pro	du	cer.		

1002.91 Base rules.

1002.92 Announcement of established bases.

EFFECTIVE TIME, SUSPENSION OR TERMINATION

1002.100 Effective time.

1002.101 Suspension or termination.

1002 102 Continuing obligations.

1002.103 Liquidation.

MISCELLANEOUS PROVISIONS

1002.110 Agents. 1002.111 Separability of provisions.

AUTHORITY: §§ 1002.0 to 1002.111 issued under secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674.

§ 1002.0 Findings and determinations.

The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection ith the issuance of the aforesaid order and of the previously issued amendments hereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) Findings upon the basis of the hearing record. Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the Greater Wheeling marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(2) The parity prices of milk, as determined pursuant to section 2 of the Act, are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order as hereby amended are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest;

(3) The said order as hereby amended, regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial or commercial activity specifled in, a marketing agreement upon which a hearing has been held;

(4) All milk and milk products handled by handlers, as defined in the order as hereby amended, are in the current of interstate commerce or directly burden, obstruct, or affect interstate commerce

in milk or its products; and

(5) It is hereby found that the necessary expense of the market administrator for the maintenance and functioning of such agency will require the payment by each handler, as his pro rata share of such expense, 4 cents per hundredweight or such amount not to exceed 4 cents per hundredweight as the Secretary may prescribe for each hundredweight of butterfat and skim milk contained in (a) producer milk (except producer milk received by a cooperative association as a handler pursuant to § 1002.12(c)), (b) milk received from a cooperative association as a handler pursuant to § 1002.12(c), (c) other source milk allocated to Class I milk pursuant to § 1002.45 (a) (2) and (b), and (d) Class I milk disposed of in the marketing area, (except to a pool plant) from a nonpool plant as determined pursuant to § 1002.62.

Order relative to handling. It is therefore ordered, that on and after the effective date hereof, the handling of milk in the Greater Wheeling marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as hereby amended, and the aforesaid order is hereby amended as follows:

DEFINITIONS

§ 1002.1 Act.

"Act" means Public Act No. 10, 73d Congress, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.).

§ 1002.2 Secretary.

"Secretary" means the Secretary of Agriculture of the United States or any other officer or employee of the United States authorized to exercise the powers or to perform the duties of the said Secretary of Agriculture.

§ 1002.3 Department of Agriculture.

"Department of Agriculture" means the United States Department of Agriculture or any other Federal agency authorized to perform the price reporting functions specified in this part.

§ 1002.4 Person.

"Person" means any individual, partnership, corporation, association, or other business unit.

^{1002.43} Transfers.

Computation of skim milk and but-1002.44 terfat in each class.

^{1002.45} Allocation of skim milk and butterfat classified.

¹ This order shall not become effective unless and until the requirements of \$900.14 of the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders have been met.

§ 1002.5 Greater Wheeling marketing area.

"Greater Wheeling marketing area", hereinafter called the "marketing area", means all territory included within the boundaries of (a) Jefferson, Belmont, Harrison, and Monroe counties, Ohio, (b) Hancock, Brooke, Ohio, and Marshall counties, West Virginia, (c) Liverpool, St. Clair, Wellsville, Yellow Creek, Madison, and Washington Townships in Columbiana County, Ohio, and (d) Londonderry, Oxford and Millwood townships in Guernsey County, Ohio.

§ 1002.6 Producer.

"Producer" means any person except a producer handler who produces milk in compliance with Grade A inspection requirements of a duly constituted health authority having jurisdiction in the marketing area which milk is received during the month at a pool plan: Provided, That if such milk is diverted from a pool plant by a handler to a nonpool plant (except a nonpool plant at which the handling of milk is subject to the classification and pricing provisions of another order) for his account any day during the months of March through July or on not more than 10 days (5 days in the case of every-other-day delivery) during any other month, the milk so diverted shall be deemed to have been received at a pool plant at the location of the plant from which diverted.

§ 1002.7 Approved plant.

"Approved plant" means all of the buildings, premises and facilities of (a) a plant in which any fluid milk product is processed or packaged and from which any fluid milk product is disposed of during the month on routes (including disposal through plant stores, vendors or by vending machines) to wholesale or retail outlets (excluding other plants) in the marketing area, or (b) a plant from which fluid milk products eligible for distribution in the marketing area under a Grade A label are shipped during the month to a plant described in paragraph (a) of this section.

§ 1002.8 Distributing plant.

"Distributing plant" means an approved plant which meets the conditions of both paragraphs (a) and (b) of this section:

(a) Not less than the required percentage (as specified herein) of the volume of milk received thereat from dairy farmers who meet the inspection requirements pursuant to \$1002.6 and from a cooperative association as a handler pursuant to \$1002.12(c) is disposed of as Class I milk during the month on routes (including disposal through plant stores, vendors or by vending machines) to wholesale or retail outlets (except pool plants), such required percentages being 45 percent in April, May and June, and 55 percent in other months; and

(b) Not less than 5 percent of such disposition on routes as described in paragraph (a) of this section is to wholesale or retail outlets (except pool plants) in the marketing area.

§ 1002.9 Supply plant.

"Supply plant" means: During any of the months of September through January, inclusive, an approved plant from which, during the month, fluid milk products equal to not less than 55 percent of its receipts from dairy farmers who meet the inspection requirements pursuant to § 1002.6 and from a cooperative association as a handler pursuant to § 1002.12(c) are shipped to distributing plants or plants described in § 1002.10(c) which during the month dispose of as Class I milk on routes described in § 1002.8(a), a volume not less than 55 percent of the sum of: (a) Milk received by the plant from producers pursuant to § 1002.14 (a) and (b); (b) milk caused to be delivered to the plant pursuant to § 1002.63; and (c) any other fluid milk product received by the plant and eligible for distribution in the marketing area under a Grade A label: Provided, That if a plant qualifies as a supply plant pursuant to this section in each of the months of September, October, November, December, and January, such plant shall be a pool plant until the end of the following August, unless the operator requests in writing that such plant not be a pool plant beginning in the month following the date of such request.

§ 1002.10 Pool plant.

"Pool plant" means:

- (a) A distributing plant;
- (b) A supply plant; or
- (c) An approved plant which receives no milk from dairy farmers and from which Class I milk equal to not less than 5 percent of milk disposed of during the month on routes (including disposal through plant stores, vendors or by vending machines) to retail or wholesale outlets (excluding pool plants), is so disposed of in the marketing area.

§ 1002.11 Nonpool plant.

"Nonpool plant" means any milk plant other than a pool plant.

§ 1002.12 Hundler.

"Handler" means:

(a) A cooperative association with respect to milk of producers diverted for the account of such association from a pool plant to a nonpool plant in accordance with the provisions of § 1002.6;

(b) Any person in his capacity as the operator of one or more approved plants;

(c) A cooperative association with respect to Grade A milk it receives from dairy farmers in a tank truck, the operation of which is under the control of such cooperative association, and delivered in such tank truck to a pool plant: *Provided*, That such milk shall be deemed to have been received directly from producers at the location of the pool plant to which it is delivered by the tank truck.

§ 1002.13 Producer-handler.

"Producer-handler" means a person who operates both a dairy farm(s) and a milk processing or bottling plant at which each of the following conditions is met during the month:

- (a) Milk is received from the dairy farm(s) of such person but from no other dairy farm;
- (b) Fluid milk products are disposed of on routes or through a plant store to retail or wholesale outlets in the marketing area; and
- (c) The butterfat or skim milk disposed of in fluid milk products does not exceed the butterfat or skim milk, respectively, received in the form of milk from the dairy farm(s) of such person and in the form of fluid milk products from pool plants of other handlers.

§ 1002.14 Producer milk.

"Producer milk" means only that skim milk and butterfat contained in milk (a) received by a handler directly from producers, not including milk delivered for another handler's account pursuant to \$1002.63; or (b) diverted by a handler to a nonpool plant (except a nonpool plant at which the handling of milk is subject to the classification and pricing provisions of another order issued pursuant to the act) in accordance with the provisions of \$1002.6; or (c) caused by a handler to be delivered for his account to the pool plant of another handler pursuant to \$1002.63.

§ 1002.15 Fluid milk product.

"Fluid milk product" means milk, skim milk, buttermilk, flavored milk, flavored milk drinks, yogurt, cream or any mixture in fluid form of milk, skim milk and cream (except sterilized products packaged in hermetically sealed containers, egg nog, ice cream mix and aerated cream).

§ 1002.16 Other source milk.

"Other source milk" means all skim milk and butterfat contained in:

(a) Receipts during the month of fluid milk products except (1) fluid milk products received from pool plants, or (2) producer milk; and

(b) Products, other than fluid milk products, from any source (including those produced at the plant) which are reprocessed or converted to another product in the plant during the month.

§ 1002.17 Cooperative association.

"Cooperative association" means any cooperative association of producers which the Secretary determines, after application by the association:

(a) To be qualified under the provisions of the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act;"

(b) To have full authority in the sale of milk of its members and to be engaged in making collective sales or marketing milk or its products for its members; and

(c) To have all of its activities under the control of its members.

§ 1002.18 Chicago butter price.

"Chicago butter price" means the simple average, as computed by the market administrator, of the daily wholesale selling prices (using the midpoint of any price range as one price) per pound of 92-score bulk creamery butter at Chicago

as reported during the month by the Department of Agriculture.

§ 1002.19 Base milk.

"Base milk" means milk received at pool plants from a producer during any of the months of April through July which is not in excess of such producer's daily average base computed pursuant to § 1002.90 multiplied by the number of days of milk production delivered in such month.

§ 1002.20 Excess milk.

"Excess milk" means milk received at pool plants from a producer during any of the months of April through July which is in excess of the base milk of such producer for such month, and shall include all milk received during such months from a producer for whom no daily average base can be computed pursuant to § 1002.90.

MARKET ADMINISTRATOR

§ 1002.25 Designation.

The agency for the administration of this part shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of, the Secretary.

§ 1002.26 Powers.

The market administrator shall have the following powers with respect to this part:

- (a) To administer its terms and provisions;
- (b) To make rules and regulations to effectuate its terms and provisions;
- (c) To receive, investigate, and report to the Secretary complaints of violations;
- (d) To recommend amendments to the Secretary.

§ 1002.27 Duties.

The market administrator shall perform all duties necessary to administer the terms and provisions of this part, including, but not limited to the following:

- (a) Within 30 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute-and deliver to the Secretary a bond, effective as of the date on which he enters upon his duties and conditioned upon the faithful performance of such duties, in an amount and with surety thereon satisfactory to the Secretary;
- (b) Employ and fix the compensation of such persons as may be necessary to enable him to administer its terms and provisions;
- (c) Obtain a bond in a reasonable amount and with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator;
- (d) Pay out of the funds received pursuant to \$1002.86: (1) The cost of his bond and of the bonds of his employees, (2) his own compensation, and (3) all other expenses, except those, incurred under \$1002.85 necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

(e) Keep such books and records as will clearly reflect the transactions provided for in this section, and upon request by the Secretary, surrender the same to such other person as the Secretary may designate;

(f) Publicly disclose to handlers and producers, at his discretion, unless otherwise directed by the Secretary, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the name of any handler who, after the date on which he is required to perform such acts, has not made reports pursuant to §§ 1002.30 and 1002.31 or payments pursuant to §§ 1002.80 through 1002.86;

(g) Submit his books and records to examination by the Secretary and furnish such information and reports as may be requested by the Secretary;

(h) On or before the 12th day after the end of each month, report to each cooperative association which so requests the percentage of producer milk delivered by members of such association which was used in each class by each handler receiving such milk. For the purpose of this report the milk so received shall be prorated to each class in accordance with the total utilization of producer milk by such handler;

(i) Verify all reports and payments of each handler by audit if necessary, of such handler's records and the records of any other handler or person upon whose utilization the classification of skim milk and butterfat for such handler depends; and by such other means as are necessary:

(j) Prepare and make available for the benefit of producers, consumers, and handlers, general statistics and information concerning the operation of this order which do not reveal confidential information: and

(k) On or before the date specified publicly announce, by posting in a conspicuous place in his office and by such other means as he deems appropriate, and mail to each handler at his last known address a notice, of, the following:

(1) The 5th day of each month, the Class II milk price and the Class II butterfat differential, both for the preceding month, and

(2) The 11th day of each month, the Class I milk price and the Class I butterfat differential, both for the current month; and the uniform prices, computed pursuant to §§ 1002.71 and 1002.72, and the producer butterfat differential, both for the preceding month.

REPORTS, RECORDS, AND FACILITIES

§ 1002.30 Reports of sources and utilization.

On or before the 7th day after the end of each month each handler, except a producer-handler, shall report for such month-to the market administrator in the detail and on forms prescribed by the market administrator as follows:

(a) The quantities of skim milk and butterfat contained in:

(1) Producer milk;

(2) Fluid milk products received from other pool plants and from a cooperative association as a handler pursuant to § 1002.12(c);

(3) Other source milk;

(4) Inventories of fluid milk products' on hand at the beginning of the month;

(5) Milk caused to be moved from a producer's farm to a plant of another handler; and

(b) The utilization of all skim milk and butterfat required to be reported pursuant to paragraph (a) of this section, including separate statements as to the disposition of Class I milk outside the marketing area, and inventories of fluid milk products on hand at the end of the month.

§ 1002.31 Other reports.

(a) Each producer-handler shall make reports to the market administrator at such time and in such manner as the market administrator may prescribe;

(b) Each handler, except a producerhandler, shall report to the market administrator in the detail and on forms prescribed by the market administrator:

(1) On or before the 7th day of each of the months of May through August the aggregate quantity of base milk received for the preceding month,

(2) On or before the 20th day after the end of the month, his producer payroll for such month which shall show for each producer: (i) His name and address, (ii) the total pounds of milk received from such producer, including for the months of April through July, the pounds of base milk, (iii) the days for which milk was received from such producer if less than the entire month, (iv) the average butterfat content of such milk, and (v) the net amount of such handler's payment to the producer, together with the price paid and the amount and nature of, any deductions.

(3) On or before the day prior to diverting producer milk pursuant to § 1002.6 his intention to divert such milk, the date or dates of such diversion and the nonpool plant to which such milk is

to be diverted, and

(4) Such other information with respect to his sources and utilization of butterfat and skim milk as the market administrator may prescribe.

§ 1002.32 Records and facilities.

Each handler shall maintain and make available to the market administrator during the usual hours of business such accounts and records of his operations and such facilities as are necessary for the market administrator to verify or establish the correct data for each month with respect to:

(a) The receipt and utilization of all skim milk and butterfat handled in any form:

(b) The weights and tests for butterfat and other content of all products handled;

(c) The pounds of skim milk and butterfat contained in or represented by all items of products on hand at the beginning and end of each month; and

(d) Payments to producers, including any deductions authorized by producers and disbursement of money so deducted.

§ 1002.33 Retention of records.

All books and records required under this part to be made available to the market administrator shall be retained by the handler for a period of three years to begin at the end of the calendar month to which such books and records pertain: Provided, That if, within such three-year period, the market administrator notifies the handler in writing that the retention of such books and records, or of specified books and records, is necessary in connection with a proceeding under section 8c(15)(A) of the act or a court action specified in such notice, the handler shall retain such books and records, or specified books and records, until further written notification from the market administrator. In either case, the market administrator shall give further written notification to the handler promptly upon the termination of the litigation or when the records are no longer necessary in connection therewith.

CLASSIFICATION OF MILK

§ 1002.40 Skim milk and butterfat to be classified.

The skim milk and butterfat to be reported pursuant to §1002.30 (a) shall be classified each month pursuant to the provisions of §§ 1002.41 through 1002.46.

§ 1002.41 Classes of utilization.

Subject to the conditions set forth in §§ 1002.42 through 1002.46, the classes of utilization shall be as follows:

(a) Class I milk. Class I milk shall be all skim milk and butterfat: (1) Disposed of from the plant in the form of fluid milk products, except those classifled pursuant to paragraph (b) (3) and (4) of this section, and (2) not specifically accounted for as Class II milk; and

- (b) Class II milk. Class II milk shall be all skim milk and butterfat: (1) Used to produce any product other than a fluid milk product; (2) contained in inventories of fluid milk products on hand at the end of the month; (3) disposed of in bulk to any manufacturer of candy, soup or bakery products who does not dispose of milk in fluid form: (4) disposed of as skim milk and used for livestock feed or skim milk dumped subject to prior notification to and inspection (at his discretion) by the market administrator; and
- (5) in shrinkage not to exceed 2 percent, respectively, of the skim milk and butterfat contained in producer milk (except that diverted pursuant to § 1002.6), milk received from a cooperative association for which it is a handler pursuant to § 1002,12(c), milk caused to be delivered to the plant pursuant to § 1002.63, and other source milk received in the form of fluid milk products: Provided. That if shrinkage of skim milk or butterfat is less than such 2 percent it shall be assigned pro rata to the skim milk or butterfat contained in producer milk (except that diverted pursuant to § 1002.6), milk received from a cooperative association for which it is the handler pursuant to § 1002.12(c), milk caused to be delivered to the plant pursuant to § 1002.63, and other source milk received in the form of fluid milk products.

§ 1002.42 Responsibility of handlers.

All skim milk and butterfat to be classified pursuant to this order shall be classified Class I milk, unless the handler who first receives such skim milk and butterfat establishes to the satisfaction

should be classified as Class II milk.

§ 1002.43 Transfers.

- (a) Skim milk and butterfat transferred from a pool plant (or from a cooperative association which is a handler pursuant to § 1002.12(c)) to the pool plant of another handler (including that milk which a handler causes to be delivered from a producer's farm to the pool plant of another handler pursuant to § 1002.63) shall be classified as Class I milk unless utilization as Class II milk is mutually reported in writing to the market administrator by both handlers on or before the 7th day after the end of the month within which such transfer occurred, and the amount of skim milk or butterfat so assigned to Class II milk does not exceed the amount of skim milk or butterfat, respectively, remaining in Class II utilization by the transferee handler after the subtraction of other source milk pursuant to § 1002.45: Provided, That the skim milk and butterfat so transferred shall be classified so as to result in a maximum assignment of producer milk to Class I milk: And provided further, in no case shall the assignment to Class I milk in the transferee plant be greater than the difference between its total receipts of milk and its total utilization of such milk in Class II;
- (b) Skim milk and butterfat transferred to the plant of a producer-handler in the form of fluid milk products, shall be classified Class I milk;
- (c) Skim milk and butterfat transferred or diverted in bulk form as milk or skim milk to a nonpool milk plant shall be classified Class I milk unless, (1) the transferee-plant is located less than 250 miles from the Court House in Wheeling, West Virginia, by the shortest hard surfaced highway distance, as determined by the market administrator. (2) the transferring or diverting handler claims classification in Class II milk in his report submitted to the market administrator pursuant to § 1002.30 for the month within which such transaction occurred, (3) the operator of the nonpool plant maintains books and records showing the utilization of all skim milk and butterfat at such plant which are made available if requested by the market administrator for the purpose of verification, and
- (4) The skim milk and butterfat in the fluid milk products (except in ungraded fluid milk products) disposed of from such nonpool plant do not exceed the receipts of skim milk and butterfat in milk received during the month from dairy farmers approved by a duly constituted health authority for the production of Grade A milk who the market administrator determines constitute the regular source of supply for such plant: Provided, That any skim milk or butterfat in fluid milk products (except in ungraded fluid milk products) disposed of from the nonpool plant which is in excess of receipts from such dairy farmers shall be assigned to the fluid milk products transferred or diverted from a pool plant and shall be classified as Class I milk: And provided further, That if the total skim milk and butterfat which

of the market administrator that it were transferred or diverted during the month to such nonpool plant from all plants fully regulated by this order and other orders issued pursuant to the Act is more than the skim milk and butterfat in fluid milk products disposition at the nonpool plant assignable pursuant to the preceding proviso hereof, the skim milk and butterfat assigned to Class I milk at a pool plant pursuant to this computation shall be not less than that obtained by prorating the assignable fluid milk product disposition at the nonpool plant over the receipts at such plant from all plants fully regulated by this and other orders issued pursuant to the Act; and

(d) Skim milk and butterfat transferred in bulk form as cream to a nonpool plant shall be classified Class I milk unless, (1) the transferring handler claims classification in Class II milk in his report submitted to the market administrator pursuant to § 1002.30, (2) the handler attaches tags or labels to each container of such cream bearing the words "for manufacturing uses only" and the shipment is so invoiced, (3) the handler gives the market administrator sufficient notice to allow him to verify such shipment, (4) the operator of the nonpool plant maintains books and records showing the utilization of all skim milk and butterfat at such plant which are máde available if requested by the market administrator for the purpose of verification, and (5) not less than an equivalent amount of skim milk and butterfat was actually utilized in the nonpool plant in the use indicated in such report: Provided, That if it is found that an equivalent amount of skim milk and butterfat was not actually used in such plant during the month in such indicated use, the pounds transferred in excess of such actual use shall be classified Class I milk.

§ 1002,44 Computation of skim milk and butterfat in each class.

For each month, the market administrator shall correct for mathematical and other obvious errors, the reports submitted by each handler pursuant to § 1002.30 and compute the total pounds of skim milk and butterfat respectively, in Class I milk and Class II milk at all of the pool plants of such handler: Provided, That the skim milk contained in any product utilized, produced, or disposed of by the handler during the month shall be considered to be an amount equivalent to the nonfat milk solids contained in such product, plus all of the water originally associated with such solids.

§ 1002.45 Allocation of skim milk and butterfat classified.

- (a) The pounds of skim milk remaining in each class after making the following computations each month with respect to the pool plant(s) of each handler, shall be the pounds of skim milk in such class allocated to the producer milk of such handler for such month.
- (1) Subtract from the total pounds of skim milk in Class II milk the shrinkage of skim milk in producer milk classified as Class II milk pursuant to § 1002.41(b),

(2) Subtract from the pounds of skim milk remaining in Class II milk the pounds of skim milk in other source milk except that to be subtracted pursuant to subparagraph (3) of this paragraph: Provided, That if the pounds of skim milk to be subtracted are greater than the remaining pounds of skim milk in Class II milk, the balance shall be subtracted from the pounds of skim milk in Class I milk,

(3) Subtract from the pounds of skim milk remaining in Class II milk the pounds of skim milk in fluid milk products received from plants regulated under another order(s) issued pursuant to the act and classified as Class I pursuant to such other order(s): Provided, That if the pounds of skim milk to be subtracted are greater than the remaining pounds of skim milk in Class II milk, the balance shall be subtracted from the pounds of skim milk in Class I milk.

(4) Subtract from the pounds of skim milk remaining in Class II milk the pounds of skim milk contained in inventory of fluid milk products on hand at the beginning of the month: Provided, That if the pounds of skim milk in such inventory exceed the remaining pounds of skim milk in Class II milk the balance shall be subtracted from the pounds of skim milk remaining in Class I milk.

(5) Subtract the pounds of skim milk in fluid milk products received from other handlers from the pounds of skim milk remaining in the class to which assigned, pursuant to § 1002.43(a),

(6) Add to the pounds of skim milk. remaining in Class II milk the pounds of skim milk subtracted pursuant to subparagraph (1) of this paragraph,

(7) If the pounds of skim milk remaining in all classes exceed the pounds of skim milk in milk received from producers, subtract such excess from the pounds of skim milk remaining in the various classes in series beginning with Class II milk:

(b) Determine the pounds of butterfat in each class to be allocated to producer milk in the manner prescribed in paragraph (a) of this section for determining the allocation of skim milk to producer milk; and

(c) Add the pounds of skim milk and the pounds of butterfat in each class calculated pursuant to paragraphs (a) and (b) of this section and determine the percentage of butterfat in the producer milk allocated to each class.

§ 1002.46 Inventory reclassification.

From any skim milk or butterfat assigned to Class I milk pursuant to § 1002.45(a) (4) and the corresponding step in § 1002.45(b) subtract in the following order the skim milk and butterfat, respectively, assigned during the preceding month to Class II milk (except shrinkage) pursuant to § 1002.45 in:

(a) Producer milk, and

(b) Other source milk classified and priced as Class I milk pursuant to another Federal order.

MINIMUM PRICES

§ 1002.50 Basic formula price.

The higher of the prices computed pursuant to paragraph (a), (b), or (c) of

this section, rounded to the nearest whole cent, shall be known as the basic formula price.

(a) The average of the basic or field prices per hundredweight reported to have been paid or to be paid for milk of 3.5 percent butterfat content received from farmers during the month at the following plants or places for which prices have been reported to the market administrator or to the Department:

Present Operator and Location

Borden Co., Mt. Pleasant, Mich. Borden Co., New London, Wis. Borden Co., Orfordville, Wis. Carnation Co., Oconomowoc, Wis. Carnation Co., Richland Center, Wis. Carnation Co., Sparta, Mich. Pet Milk Co., Belleville, Wis. Pet Milk Co., Coopersville, Mich. Pet Milk Co., New Glarus, Wis.
Pet Milk Co., Wayland, Mich.
White House Milk Co., Manitowoc, Wis.
White House Milk Co., West Bend, Wis.

(b) The price resulting from the following computation:

(1) Multiply by 6 the simple average as computed by the market administrator, of the daily wholesale selling prices (using the midpoint of any price range as one price) of Grade A (92-score) bulk creamery butter per pound at Chicago as reported by the Department of Agriculture during the month for which prices are being computed.

(2) Add an amount equal to 2.4 times the simple average as published by the Department of Agriculture of the prices determined per pound of "Cheddars" on the Wisconsin Cheese Exchange at Plymouth, Wisconsin, for the trading days that fall within the month, and

(3) Divide by 7 and to the resulting amount add 30 percent; and then multiply by 3.5;

(c) The price per hundredweight computed by adding together the plus values of subparagraphs (1) and (2) of this paragraph:

(1) From the Chicago butter price, subtract 3 cents, add 20 percent thereof, and multiply by 3.5.

(2) From the simple average as computed by the market administrator of the weighted averages of the carlot prices per pound for nonfat dry milk solids, spray and roller process, respectively, for human consumption, f.o.b. manufacturing plants in the Chicago area, as published for the period from the 26th day of the immediately preceding month through the 25th day of the current month by the Department, deduct 5.5 cents and multiply by 8.2.

§ 1002.51 Class prices.

Subject to the provisions of §§ 1002.52 and 1002.53, the minimum class prices per hundredweight of milk containing 3.5 percent butterfat to be paid by each handler for milk received at his pool plant from producers during the month shall be determined as follows:

(a) Class I milk price. The Class I milk price shall be the basic formula price (computed pursuant to § 1002.50) for the preceding month, subject to the adjustments provided in subparagraphs (1) and (2) of this paragraph:

(1) Add the amount for the month indicated:

Month Ar	nount
April, May, June and July	\$1.42
All others	1.88

(2) Add if the utilization percentage calculated pursuant to subparagraph (3) of this paragraph is less than or subtract if it is more than, the standard utilization range, an amount determined by multiplying the net utilization percentage calculated pursuant to subparagraph (4) of this paragraph by 2 cents: Provided, That the result of the computation pursuant to this subparagraph shall be adjusted to an amount which does not differ by more than 15 cents from the "supply-demand adjustment" effective in the calculation of the Class I price for the preceding month under the terms of the Northeastern Ohio Federal milk order (Part 975 of this chapter):

(3) Calculate a utilization percentage for each month by dividing the net hundredweight of Class I milk disposed of during the first and second preceding months from pool plants at which less than 50 percent of total receipts is milk from a plant(s) fully regulated pursuant to another order issued pursuant to the act into the total hundredweight of producer milk received at such pool plants during the same months, multiplying by 100, and rounding the resultant figure to

the nearest whole number:

(4) Calculate a net utilization percentage by determining the amount by which the utilization percentage calculated pursuant to subparagraph (3) of this paragraph exceeds the higher figure or is less than the lower figure of the standard utilization range in the following table:

Month for which price	Months for which average utilization is com-	Stan utiliz percer	
applies	puted	Mini- mum'	Maxi- mum
January February March A pril May June July August September October November	November-December December-January January-February February-March March-April April-May May-June July July-August August-September September-October October-November	117 117 115 115 117 129 136 126 117 113 113	120 120 118 118 120 132 139 129 120 116 116

(b) Class II milk price. The Class II milk price shall be the basic formula price computed pursuant to § 1002.50.

§ 1002.52 Butterfat differentials to handlers.

For milk containing more or less than 3.5 percent butterfat, the class prices calculated pursuant to § 1002.51 shall be increased or decreased, respectively, for each one-tenth percent butterfat at the appropriate rate, rounded to the nearest one-tenth cent, determined as follows:

(a) Class I price. Multiply the Chicago butter price for the preceeding month by 0.13; and

(b) Class II price. Multiply the Chicago butter price for the month by 0.115.

§ 1002.53 Location differentials to handlers.

For milk disposed of from a pool plant located 60 miles or more from the city halls of Wheeling, West Virginia, East Liverpool, Ohio, or Steubenville, Ohio, whichever is nearest by shortest hardsurfaced highway distance as determined by the market administrator, as Class I milk pursuant to paragraphs (a) and (b) of this section, but not to exceed producer milk received and milk caused to be delivered pursuant to § 1002.63 at such plant, the price specified in § 1002.51 (a) shall be reduced at the rate set forth in the following schedule:

Distance from the city hall of Wheeling, W. Va., East Liverpool or Steu-Rate per benville, Ohio, whichhundredweight ever is nearest (miles): (cents) 15.0 60 but not more than 70____ 16.5 70 but not more than 80_____ 80 but not more than 90_____ For each additional 10 miles or fraction thereof an additional____

(a) In the case of fluid milk products which are moved from the pool plant to another pool plant, assign to Class I milk for the purposes of this section, that portion of the milk moved which remains after assigning such milk to the quantity of Class II milk in the transferee plant as determined by the calculations prescribed in § 1002.45(a) (1) through (4), and the comparable steps in § 1002.45(b) for the transferee plant, such assignment to Class II milk in the case of transfers from several plants to be made in the sequence to the transferring plants according to the location differential applicable at each transferring plant, beginning with the plant having the largest differential; and

(b) Class I disposition from the plant other than disposition to the other pool plants.

§ 1002.54 Rate of compensatory payments.

The rate of compensatory payment per hundredweight shall be calculated as follows, except that the rate shall be zero in any month in which total deliveries by producers are less than 110 percent of Class I utilization (excluding duplications) in plants qualified as pool plants pursuant to § 1002.10 (a) and (b):

(a) Subtract the Class II milk price, adjusted by the Class II butterfat differential, from the Class I milk price adjusted by the Class I butterfat differential and adjusted by the location differential rates set forth in § 1002.53 for the location of the plant at which the milk was received from farmers.

§ 1002.55 Use of equivalent prices.

If for any reason a price quotation required by this part for computing class prices or for other purposes is not available in the manner described, the market administrator shall use a price determined by the Secretary to be equivalent to the price which is required.

APPLICATION OF PROVISIONS

§ 1002.60 Producer-handlers.

Sections 1002.40 through 1002.46, 1002.50 through 1002.53, 1002.61 through such milk as so caused to be delivered.

1002.63, 1002.70 through 1002.75, and Determination of Prices to Producers 1002.80 through 1002.87 shall not apply to a producer-handler.

§ 1002.61 Plants subject to other Federal orders.

A plant specified in paragraph (a) or (b) of this section shall be treated as a nonpool plant, except that the operator of such plant shall, with respect to total receipts and utilization or disposition of skim milk and butterfat at the plant, make reports to the market administrator at such time and in such manner as the market administrator may require and allow verification of such reports by the market administrator:

(a) Any plant qualified pursuant to § 1002.10 (a) or (c) which disposes of a lesser volume of Class I milk in the Greater Wheeling marketing area than in a marketing area where milk is regulated pursuant to another order issued pursuant to the act, and which is subject to the classification and pricing provisions of such other order if exempted pursuant to this paragraph from regulation as a pool plant under this part, unless the Secretary determines otherwise;

(b) Any plant qualified pursuant to § 1002.10(b) for any portion of the period February through August, inclusive. that the milk of producers at such plant is subject to the classification and pricing provisions of another order issued pursuant to the act and the Secretary determines that such plant should be exempted from this part.

§ 1002.62 Handlers operating nonpool plants.

Each handler who is the operator of a nonpool plant which is not subject to the classification and pricing provisions of another order issued pursuant to the act, shall on or before the 12th day after the end of each month, pay to the market administrator for deposit into the producer-settlement fund an amount calculated by multiplying the total hundredweight of butterfat and skim milk disposed of in the form of fluid milk products from such nonpool plant to retail or wholesale outlets (including deliveries by vendors and sales through plant stores) in the marketing area during the month, by the rate of compensatory payment calculated pursuant to § 1002.54: Provided, That such payments shall not apply to butterfat or skim milk in excess of butterfat or skim milk received by such nonpool plant from dairy farmers and in the form of fluid milk products from plants not fully regulated under any Federal order.

§ 1002.63 Milk caused by a handler to be delivered to another handler's pool plant.

Milk caused by a handler, as the operator of a pool plant which is an approved plant pursuant to § 1002.7(a). to be delivered for his account to another handler's pool plant similarly qualified pursuant to § 1002.7(a), shall be considered, for purposes of reporting, classification, and payment, to be received by the handler who so caused the milk to be delivered, if both handlers report

§ 1002.70 Computation of the obligation of each handler.

For each month the market administrator shall compute the obligation of each pool handler as follows:

(a) Multiply the quantity of producer milk in each class by the applicable class price, as adjusted by location differentials on the amount of milk to which location differential allowance applies pursuant to § 1002.53;

(b) Add an amount computed by multiplying the hundredweight of skim milk and butterfat subtracted from Class I milk pursuant to § 1002.45(a) (2) and (b) by the rate of compensatory payment as determined pursuant to § 1002.54 for the nearest plant(s) from which an equivalent amount of other source milk was received in the form of fluid milk products:

(c) Add the amounts computed by multiplying the pounds of overage deducted from each class pursuant to § 1002.45(a) (7) and (b) by the applicable class price; and

(d) Add (1) any amount obtained by multiplying any plus amount resulting from the calculations pursuant to § 1002.46(a) by the difference between the Class II price for the preceding month and the Class I price for the current month, and (2) any amount obtained by multiplying any plus amount remaining after the calculation pursuant to § 1002.46(b) by the rate of compensatory payment pursuant to § 1002.54(a).

§ 1002.71 Computation of the uniform price.

For each of the months of August through March, the marketing administrator shall compute the uniform price per hundredweight of producer milk of 3.5 percent butterfat content, f.o.b. market, as follows:

(a) Combine into one total the obligations computed pursuant to § 1002.70 for all handlers who submit reports prescribed in § 1002.30 and who are not in default of payments pursuant to § 1002.80 or § 1002.82:

(b) Subtract, if the average butterfat content of the producer milk included under paragraph (a) of this section is greater than 3.5 percent, or add, if such average butterfat content is less than 3.5 percent, an amount computed as follows: Multiply the amount by which the average butterfat content of such milk varies from 3.5 percent by the butterfat differential computed pursuant to § 1002.73, and multiply the result by the total hundredweight of such milk;

(c) Add an amount equal to the sum of deductions to be made from producer payments for location differentials pursuant to § 1002.74;

(d) Add an amount equal to one-half of the unobligated balance on hand in the producer-settlement fund;

(e) Add the total amount of payment due pursuant to § 1002.62;

(f) Divide the resulting amount by the total hundredweight of producer milk included under paragraph (a) of this section; and

(g) Subtract not less than 4 cents nor more than 5 cents.

§ 1002.72 Computation of uniform prices for base milk and excess milk.

For each of the months of April through July, the market administrator shall compute the uniform prices per hundredweight for base milk and for excess milk, each of 3.5 percent butterfat content, f.o.b. market, as follows:

(a) Compute the aggregate value of excess milk for all handlers who submit reports pursuant to § 1002.30, and who are not in default of payments pursuant to §§ 1002.80 or 1002.82 as follows: (1) Multiply the hundredweight of such milk not in excess of the total quantity of producer milk assigned to Class II milk in the pool plants of such handlers by the Class II milk price, (2) multiply the hundredweight of milk not included in subparagraph (1) of this paragraph by the Class I milk price, and (3) add together the resulting amounts:

(b) Divide the total value of excess milk obtained in paragraph (a) of this section by the total hundredweight of such milk, adjust to the nearest cent and subtract 4 cents. The resulting figure shall be the uniform price for excess milk of 3.5 percent butterfat content received

from producers;

(c) Subtract the total value of excess milk determined by multiplying the uniform price obtained in paragraph (b) of this section, plus 4 cents, times the hundredweight of excess milk from the total value of producer milk for the month as determined according to the calculations set forth in § 1002.71 (a) through (d) then add the total amount of payments due pursuant to § 1002.62;

(d) Divide the amount calculated pursuant to paragraph (c) of this section by the total hundredweight of base milk included in these computations; and

(e) Subtract not less than 4 cents nor more than 5 cents from the price computed pursuant to paragraph (d) of this section. The resulting figure shall be the uniform price for base milk of 3.5 percent butterfat content f.o.b. market.

§ 1002.73 Butterfat differential to producers.

The applicable uniform prices to be paid each producer shall be increased or decreased for each one-tenth of one percent which the average butterfat content of his milk is above or below 3.5 percent, respectively, at the rate determined by multiplying the pounds of butterfat in producer milk allocated to each class by the appropriate butterfat differential for such class as determined pursuant to § 1002.52, dividing by the total butterfat in producer milk and rounding to the nearest even tenth of a cent.

§ 1002.74 Location differential to producers.

The applicable uniform prices to be paid for producer milk, as defined in § 1002.14 (a) and (b), received at a pool plant located 60 miles or more from the city hall of Wheeling, West Virginia, East Liverpool, Ohio, or Steubenville, Ohio, whichever is nearest by shortest hard-surfaced highway distance, as determined by the market administrator, or caused to be delivered pursuant to § 1002.63, to a pool plant so located shall

be reduced at the rates set forth in § 1002.53 according to the location of such plant.

§ 1002.75 Notification of handlers.

On or before the 11th day after the end of each month, the market administrator shall mail to each handler, who submitted the report(s) prescribed in \$1002.30 at his last known address, a statement showing:

(a) The amount and value of his producer milk in each class and the totals thereof:

(b) For the months of April through July the amounts and value of his base and excess milk respectively, and the totals thereof:

(c) The uniform price(s) computed pursuant to §§ 1002.71 and 1002.72 and the butterfat differential computed pursuant to § 1002.73; and

(d) The amounts to be paid by such handler pursuant to §§ 1002.82, 1002.85 and 1002.86, or 1002.62 and the amount due such handler pursuant to § 1002.83.

PAYMENTS 3

§ 1002.80 Time and method of payment.

Each handler shall make payment as follows:

(a) To each producer from whom milk is received during the month and to whom payment is not made pursuant to paragraph (b) of this section:

(1) On or before the last day of each month to each producer who did not discontinue shipping milk to such handler before the 25th day of the month, an amount equal to not less than the Class II price for the preceding month multiplied by the hundredweight of milk received from such producer during the first 15 days of the month, less proper deductions authorized by such producer to be made from payments due pursuant to this paragraph;

(2) On or before the 15th day of the following month, an amount equal to not less than the appropriate uniform price(s) adjusted by the butterfat and location differentials to producers multiplied by the hundredweight of milk or base milk and excess milk received from such producer during the month, subject to the following adjustments: (i) Less payments made to such producer pursuant to subparagraph (1) of this paragraph, (ii) less marketing service deductions made pursuant to § 1002.85. (iii) plus or minus adjustments for errors made in previous payments made to such producer, and (iv) less proper deductions authorized in writing by such producer: Provided, That if by such date such handler has not received full payment from the market administrator pursuant to § 1002.83 for such month, he may reduce pro rata his payments to producers by not more than the amount of such underpayment. Payments to producers shall be completed thereafter not later than the date for making payments pursuant to this paragraph next following after the receipts of the balance due from the market administrator;

(b) In the case of a cooperative association which the market administrator determines is authorized by its members

to collect payment for their milk and which has so requested any handler in writing, such handler shall on or before the 2d day prior to the date on which payments are due individual producers pay the cooperative association for milk received during the month from the producer members of such association as determined by the market administrator an amount equal to not less than the amount due such producer members as determined pursuant to paragraph (a) of this section:

(c) On or before the 10th day of the following month for milk received from a cooperative association for which it is a handler pursuant to § 1002.12(c) at not less than the value of such milk at the applicable class prices: Provided, That to this amount shall be added one-half of one percent of any amount due such association pursuant to this paragraph for each month or any portion thereof that such payment is overdue.

(d) Each handler who receives milk during the month from producers for which payment is to be made to a cooperative association pursuant to paragraph (b) of this section shall report to such cooperative association or to the market administrator for transmittal to such cooperative association for each such producer as follows:

(1) On or before the 25th day of the month, the total pounds of milk received during the first 15 days of such month,

ana

(2) On or before the 7th day of the following month (i) the pounds of milk received each day and the total for the month, together with the butterfat content of such milk, (ii) for the months of April through July the total pounds of base milk received, (iii) the amount or rate and nature of any deductions to be made from payments, and (iv) the amount and nature of payments due pursuant to § 1002.84.

§ 1002.81 Producer-settlement fund.

The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund" into which he shall deposit all payments made-by handlers pursuant to §§ 1002.62, 1002.82 and 1002.84, and out of which he shall make all payments pursuant to §§ 1002.83 and 1002.84: Provided, That any payments due to any handler shall be offset by any payments due from such handler.

§ 1002.82 Payments to the producersettlement fund.

On or before the 12th day after the end of each month, each handler, including a cooperative association which is a handler, shall pay to the market administrator any amount by which his obligation as computed pursuant to § 1002.70 for such month, is greater than the amount owed by him for such milk at the appropriate uniform price(s) adjusted by the producer butterfat and location differentials: Provided, That to this amount shall be added one-half of one percent of any amount due the market administrator pursuant to this section for each month or any portion thereof that such payment is overdue.

§ 1002.83 Payments out of the producersettlement fund.

On or before the 13th day after the end of each month, the market administrator shall pay to each handler any amount by which his obligation computed pursuant to § 1002.70, for such month is less than the amount owed by him for such milk at the appropriate uniform price(s) adjusted by the producer butterfat and location differentials. If at such time the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments as soon as the appropriate funds are available.

§ 1002.84 Adjustment of accounts.

Whenever audit by the market administrator of any reports, books, records, or accounts or other verification discloses errors resulting in monies due (a) the market administrator from a handler, (b) a handler from the market administrator, or (c) any producer or cooperative association from a handler, the market administrator shall promptly notify such handler of any amount so due and payment thereof shall be made on or before the next date for making payments set forth in the provisions under which such error occurred.

§ 1002.85 Marketing services.

(a) Except as set forth in paragraph (b) of this section, each handler, in making payments to producers for milk (other than milk of his own production) pursuant to § 1002.80, shall deduct 5 cents per hundredweight, or such amount not exceeding 5 cents per hundredweight, as may be prescribed by the Secretary, and shall pay such deductions to the market administrator on or before the 15th day after the end of the month, Such money shall be used by the market administrator to provide market information and to check the accuracy of the testing and weighing of their milk for producers who are not receiving such service from a cooperative association:

(b) In the case of producers who are members of a cooperative association which the Secretary has determined is actually performing the services set forth in paragraph (a) of this section, each handler shall (in lieu of the deduction specified in paragraph (a) of this section), make such deductions from the payments to be made to such producers as may be authorized by the membership agreement or marketing contract between such cooperative association and such producers, and on or before the 13th day after the end of each month. pay such deductions to the cooperative association of which such producers are members, furnishing a statement showing the amount of any such deductions and the amount of milk for which such deduction was computed for each producer.

§ 1002.86 Expenses of administration.

On or before the 15th day after the end of each month, each handler shall pay to the market administrator, 4 cents or such lesser amount as the Secretary

may prescribe, for each hundredweight of butterfat and skim milk contained in (a) producer milk, except producer milk received by a cooperative association as a handler pursuant to § 1002.12 (c), (b) milk received from a cooperative association as a handler pursuant to § 1002.12(c), (c) other source milk allocated to Class I milk pursuant to § 1002.45(a) (2) and (b), and (d) Class I milk disposed of in the marketing area (except to a pool plant) from a nonpool plant as determined pursuant to § 1002.62.

§ 1002.87 Termination of obligations.

The provisions of this section shall apply to any obligations under this part for the payment of money.

(a) The obligation of any handler to pay money required to be paid under the terms of this part shall, except as provided in paragraphs (b) and (c) of this section, terminate 2 years after the last day of the calendar month during which the market administrator receives the handler's utilization report on the milk involved in such obligation, unless within such 2-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain, but need not be limited to, the following information:

(1) The amount of the obligation.

(2) The month(s) during which the milk, with respect to which the obligation exists was received or handled, and

(3) If the obligation is payable to one or more producers or to an association of producers, the name of such producer(s) or association of producers, or it he obligation is payable to the market administrator, the account for which it is to be paid:

(b) If a handler fails or refuses, with respect to any obligation under this part, to make available to the market administrator or his representative all books and records required by this part to be made available, the market administrator may, within the two-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said two-year period with respect to such obligation shall not begin to run until the first day of the calendar month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representative

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this order to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed; and

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this part shall terminate two years after the end of the calendar month during which the

payment (including deduction or setoff by the market administrator) was made by the handler, if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant to section 8c(15) (A) of the act, a petition claiming such money.

DETERMINATION OF BASE

§ 1002.90 Computation of daily average base for each producer.

Subject to the rules set forth in § 1002.91, the daily average base for each producer shall be an amount calculated by dividing the total pounds of milk produced by and received from such producer at all pool plants during the months of September through December immediately preceding, by the number of days from the first day of delivery by such producer during such months to the last day of December, inclusive, or by 90, whichever is more: Provided, That any producer who, during the preceding months of September through December, delivered his milk to a nonpool plant which became a pool plant after the beginning of such period shall be assigned a base, in the same manner as if he had been a producer during such period, calculated from his deliveries during such September-December period to such plant.

§ 1002.91 Base rules.

The following rules shall apply in connection with the establishment and assignment of bases:

(a) Subject to the provisions of paragraph (b) of this section, the market administrator shall assign a base calculated pursuant to § 1002.90 to each person for whose account producer milk was delivered to pool plants during the months of September through December; and

(b) A base which is assigned pursuant to the proviso of § 1002.90 shall be nontransferable. An entire base which is otherwise assigned shall be transferred from a person holding such base to any other person, effective as of the end of any month during which an application for such transfer as received by the market administrator, such application to be on forms approved by the market administrator and signed by the baseholder, or his heirs, and by the person to whom such base is to be transferred: Provided, That if a base is held jointly, the entire base shall be transferable only upon the receipt of such application signed by all joint holders or their heirs, and by the person to whom such base is to be transferred.

§ 1002.92 Announcement of established bases.

On or before February 15 of each year, the market administrator shall notify each producer, and the handler receiving milk from such producer, of the daily average base established by such producer.

EFFECTIVE TIME, SUSPENSION, OR TERMINATION

§ 1002.100 Effective time.

The provisions of this part, or any amendment thereto, shall become effective at such time as the Secretary may

declare and shall continue in force until suspended or terminated.

§ 1002.101 Suspension or termination.

The Secretary shall, whenever he finds that any or all provisions of this part. or any amendment thereto, obstruct or do not tend to effectuate the declared policy of the act, terminate or suspend the operation of any or all provisions of this part or any amendment thereto.

§ 1002.102 Continuing obligations.

If, upon the suspension or termination of any or all provisions of this part, or any amendment thereto, there are any obligations thereunder the final accrual or ascertainment of which requires further acts by any person (including the market administrator), such further acts shall be performed notwithstanding such suspension or termination.

§ 1002.103 Liquidation.

Upon the suspension or termination of any or all provisions of this part, the market administrator, or such other liquidating agent as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office, dispose of all property in his possession or control, including accounts receivable, and execute and deliver all assignments or other instruments necessary or appropriate to effectuate any such disposition. If a liquidating agent is so designated, all assets, books and records of the market administrator shall be transferred promptly to such liquidating agent. If, upon such liquidation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expenses of liquidating and distri-. bution, such excess shall be distributed to contributing handlers and producers in an equitable manner.

MISCELLANEOUS PROVISIONS

§ 1002.110 Agents.

The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent and representative in connection with any of the provisions of this part.

§ 1002.111 Separability of provisions.

If any provisions of this part, or its application to any person or circumstances, is held invalid, the application of such provision, and of the remaining provisions of this part, to other persons or circumstances shall not be affected thereby.

Order 1 Amending the Order Regulating the Handling of Milk in the Clarksburg, West Virginia, Marketing Area

Sec.	
1009.0	1

Findings and determinations.

DEFINITIONS

1009.1 Act.

1009.2 Secretary.

1009.3 Department of Agriculture.

Sec.	•	x 2 2 2 2	
1009.4	Person.	* .	
1009.5	Clarksburg	marketing area.	

Producer. Approved plant. 1009.7 Distributing plant, 1009.8 1009.9 Supply plant

1009.10 Pool plant. 1009.11 Nonpool plant. 1009.12 Handler.

1009.6

Producer-handler. 1009.13 1009.14 Producer milk.

1009.15 Fluid milk product. Other source milk. 1009.16

1009.17 Cooperative association 1009.18 Chicago butter price. 1009.19 Base milk.

1009.20 Excess milk.

MARKET ADMINISTRATOR

1009.25 Designation. 1009.26 Powers. 1009.27 Duties.

R.	EPORTS, RECORDS AND PACILITIES
1009.30	Reports of sources and utilization
1009.31	Other reports.
1009.32	Records and facilities.
1009.33	Retention of records.
	CLASSIFICATION OF MILK

1009.40 Skim milk and butterfat to be classified.

1009.41 Classes of utilization. Responsibility of handlers. 1009.42

1009.43 Transfers. 1009.44 Computation of skim milk and butterfat in each class. 1009.45 Allocation of skim milk and but-

terfat classified. 1009.46 Inventory reclassification.

MINIMUM PRICES

•	
1009.50	Basic formula price.
1009.51	Class prices.
1009.52	Butterfat differentials to handlers.
1009.53	Location differentials to handlers.
1009.54	Rate of compensatory payments.
1009.55	Use of equivalent prices.

APPLICATION OF PROVISIONS

1009.60	Producer-handlers.
1009.61	Plants subject to other Federal
	orders.
1009.62	Handlers operating nonpool plants.
1009.63	Milk caused by a handler to be
	delivered to another handler's
	pool plant.

DETERMINATION OF PRICES TO PRODUCERS

1009.70	Computation of the obligation of each handler.
1009.71	Computation of the uniform price.
1009.72	Computation of uniform prices for
	base milk and excess milk.
1009.73	Butterfat differential to producers.
1009.74	Location differential to producers.
1009.75	Notification of handlers.

PAYMENTS

1009.80	Time and method of payment.
1009.81	Producer-settlement fund.
1009.82	Payments to the producer-settle- ment fund.
1009.83	Payments out of the producer- settlement fund,
1009,84	Adjustment of accounts.
1009.85	Marketing services,
1009.86	Expenses of administration.
1009.87	Termination of obligation.
	DETERMINATION OF BASE
1009.90	Computation of daily average base for each producer.
1009.91	Base rules.
1009.92	Announcement of established

EFFECTIVE TIME, SUSPENSION OR TERMINATION 1009.100 Effective time.

1009.101 Suspension or termination. 1009.102 Continuing obligations. 1009.103 Liquidation.

MISCELLANEOUS PROVISIONS

1009.110 Agents.

1009.111 Separability of provisions.

AUTHORITY: §§ 1009.0 to 1009.111 issued under secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674.

§ 1009.0 Findings and determinations.

The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) Findings upon the basis of the hearing record. Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the Clarksburg, West Virginia, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(2) The parity prices of milk, as determined pursuant to section 2 of the Act, are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order as hereby amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(3) The said order as hereby amended, regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial or commercial activity specified in, a marketing agreement upon which a hearing has been held.

Order relative to handling. It is therefore ordered, that on and after the effective date hereof, the handling of milk in the Clarksburg, West Virginia, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as hereby amended, and the aforesaid order is hereby amended as follows:

DEFINITIONS

§ 1009.1 Act.

"Act" means Public Act No. 10, 73d Congress, as amended, and as reenacted and amended by the Agricultural Mar-

¹ This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders have been met.

keting Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.).

§ 1009.2 Secretary.

"Secretary" means the Secretary of Agriculture of the United States or any other officer or employee of the United States authorized to exercise the powers or to perform the duties of the said Secretary of Agriculture.

§ 1009.3 Department of Agriculture.

"Department of Agriculture" means the United States Department of Agriculture or any other Federal agency authorized to perform the price reporting functions specified in this part.

§ 1009.4 Person.

"Person" means any individual, partnership, corporation, association, or other business unit.

§ 1009.5 Clarksburg marketing area.

"Clarksburg marketing area", hereinafter called the "Marketing Area" means all territory included within the boundaries of (a) Monongalia, Marion and Harrison Counties, (b) Grafton magisterial district in Taylor County, (c) Philippi magisterial district in Barbour County, (d) Leadsville magisterial district in Randolph County, (e) the City of Buckhannon in Upshur County, (f) the City of Weston in Lewis County and (g) the Town of Kingwood in Preston County, all in the State of West Virginia.

§ 1009.6 Producer.

"Producer" means any person except a producer handler who produces milk in compliance with Grade A inspection requirements of a duly constituted health authority having jurisdiction in the marketing area which milk is received during the month at a pool plant: Provided. That if such milk is diverted from a pool plant by a handler to a nonpool plant (except a nonpool plant at which the handling of milk is subject to the classification and pricing provisions of another order) for his account any day during the months of March through July or on not more than 10 days (5 days in the case of every-other-day delivery) during any other month, the milk so diverted shall be deemed to have been received at a pool plant at the location of the plant from which diverted.

§ 1009.7 Approved plant.

"Approved plant" means all of the buildings, premises and facilities of (a) a plant in which any fluid milk product is processed or packaged and from which any fluid milk product is disposed of during the month on routes (including disposal through plant stores, vendors or by vending machines) to wholesale or retail outlets (excluding other plants) in the marketing area, or (b) a plant from which fluid milk products eligible for distribution in the marketing area under a Grade A label are shipped during the month to a plant described in paragraph (a) of this section.

§ 1009.8 Distributing plant.

"Distributing plant" means an approved plant which meets the conditions of both paragraphs (a) and (b) of this section:

(a) Not less than the required percentage (as specified herein) of the volume of milk received thereat from dairy farmers who meet the inspection requirements pursuant to § 1009.6 and from a cooperative association as a handler pursuant to § 1009.12(c) is disposed of as Class I milk during the month on routes (including disposal through plant stores, vendors or by vending machines) to wholesale or retail outlets (except pool plants), such required percentages being 45 percent in April, May and June, and 55 percent in other months; and

(b) Not less than 5 percent of such disposition on routes as described in paragraph (a) of this section is to wholesale or retail outlets (except pool plants) in

the marketing area.

§ 1009.9 Supply plant.

"Supply plant" means: During any of the months of September through January, inclusive, an approved plant from which, during the month, fluid milk products equal to not less than 55 percent of its receipts from dairy farmers who meet the inspection requirements pursuant to § 1009.6 and from a cooperative association as a handler pursuant to § 1009.12(c) are shipped to distributing plants or plants described in § 1009.10(c) which during the month dispose of as Class I milk on routes as described in § 1009.8(a), a volume not less than 55 percent of the sum of: (a) Milk received by the plant from producers pursuant to § 1009.14 (a) and (b); (b) milk caused to be delivered to the plant pursuant to § 1009.63; and (c) any other fluid milk product received by the plant and eligible for distribution in the marketing area under a Grade A label: Provided, That if a plant qualifies as a supply plant pursuant to this section in each of the months of September, October, November, December, and January, such plant shall be a pool plant until the end of the following August, unless the operator requests in writing that such plant not be a pool plant beginning in the month following the date of such request.

§ 1009.10 Pool plant.

"Pool plant" means:

- (a) A distributing plant;
- (b) A supply plant; or
- . (c) An approved plant which receives no milk from dairy farmers and from which Class I milk equal to not less than 5 percent of milk disposed of during the month on routes (including disposal through plant stores, vendors or by vending machines) to retail or wholesale outlets (excluding pool plants) is so disposed of in the marketing area.

§ 1009.11 Nonpool plant.

"Nonpool plant" means any milk plant other than a pool plant.

§ 1009.12 Handler.

"Handler" means: (a) A cooperative association with respect to milk of producers diverted for the account of such association from a pool plant to a nonpool plant in accordance with the provisions of § 1009.6; (b) any person in his capacity as the operator of one or more approved plants; or (c) a cooperative association with respect to Grade A milk it receives from dairy farmers in a tank

truck, the operation of which is under the control of such cooperative association, and delivered in such tank truck to a pool plant: *Provided*, That such milk shall be deemed to have been received directly from producers at the location of the pool plant to which it is delivered by the tank truck.

§ 1009.13 Producer-handler.

"Producer-handler" means a person who operates both a dairy farm(s) and a milk processing or bottling plant at which each of the following conditions is met during the month:

(a) Milk is received from the dairy farm(s) of such person but from no

other dairy farm;

(b) Fluid milk products are disposed of on routes or through a plant store to retail or wholesale outlets in the marketing area; and

(c) The butterfat or skim milk disposed of in fluid milk products does not exceed the butterfat or skim milk, respectively, received in the form of milk from the dairy farm(s) of such person and in the form of fluid milk products from pool plants of other handlers.

§ 1009.14 Producer milk.

"Producer milk" means only that skim milk and butterfat contained in milk (a) received by a handler directly from producers, not including milk delivered for another handler's account pursuant to \$1009.63; or (b) diverted by a handler to a nonpool plant (except a nonpool plant at which the handling of milk is subject to the classification and pricing provisions of another order issued pursuant to the act) in accordance with the provisions of \$1009.6; or (c) caused by a handler to be delivered for his account to the pool plant of another handler pursuant to \$1009.63.

§ 1009.15 Fluid milk product.

"Fluid milk product" means milk, skim milk, buttermilk, flavored milk, flavored milk drinks, yogurt, cream, or any mixture in fluid form of milk, skim milk and cream (except sterilized products packaged in hermetically sealed containers, egg nog, ice cream mix and aerated cream).

§ 1009.16 Other source milk.

"Other source milk" means all skim milk and butterfat contained in:

(a) Receipts during the month of fluid milk products except (1) fluid milk products received from pool plants, or (2) producer milk; and

(b) Products, other than fluid milk products, from any source (including those produced at the plant) which are reprocessed or converted to another product in the plant during the month.

§ 1009.17 Cooperative association.

"Cooperative association" means any cooperative association of producers which the Secretary determines, after application by the association:

(a) To be qualified under the provisions of the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act":

(b) To have full authority in the sale of milk of its members and to be engaged

in making collective sales or marketing milk or its products for its members;

(c) To have all of its activities under the control of its members.

§ 1009.18 Chicago butter price.

"Chicago butter price" means the simple average, as computed by the market administrator, of the daily wholesale selling prices (using the midpoint of any price range as one price) per pound of 92-score bulk creamery butter at Chicago as reported during the month by the Department of Agriculture.

§ 1009.19 Base milk.

"Base milk" means milk received at pool plants from a producer during any of the months of April through July which is not in excess of such producer's daily average base computed pursuant to § 1009.90 multiplied by the number of days of milk production delivered in such month.

§ 1009.20 Excess milk.

"Excess milk" means milk received at pool plants from a producer during any of the months of April through July which is in excess of the base milk of such producer for such month, and shall include all milk received during such months from a producer for whom no daily average base can be computed pursuant to § 1009.90.

MARKET ADMINISTRATOR

§ 1009.25 Designation.

The agency for the administration of this part shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of, the Secretary.

§ 1009.26 Powers.

The market administrator shall have the following powers with respect to this part:

- (a) To administer its terms and provisions:
- (b) To make rules and regulations to effectuate its terms and provisions;
- (c) To receive, investigate, and report to the Secretary complaints of violations; and
- (d) To recommend amendments to the Secretary.

§ 1009.27 Duties.

The market administrator shall perform all duties necessary to administer the terms and provisions of this part, including, but not limited to the following:

- (a) Within 30 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond, effective as of the date on which he enters upon his duties and conditioned upon the faithful performance of such duties, in an amount and with surety thereon satisfactory to the Secretary;
- (b) Employ and fix the compensation of such persons as may be necessary to enable him to administer its terms and provisions;

(c) Obtain a bond in a reasonable amount and with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator:

(d) Pay out of the funds received pursuant to § 1009.86: (1) The cost of his bond and of the bonds of his employees, (2) his own compensation, and (3) all other expenses, except those incurred under § 1009.85 necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

(e) Keep such books and records as will clearly reflect the transactions provided for in this section, and upon request by the Secretary, surrender the same to such other person as the Secre-

tary may designate:

(f) Publicly disclose to handlers and producers, at his discretion, unless otherwise directed by the Secretary, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the name of any handler who, after the date on which he is required to perform such acts, has not made reports pursuant to §§ 1009.30 and 1009.31 or payments pursuant to §§ 1009.80 through 1009.86:

(g) Submit his books and records to examination by the Secretary and furnish such information and reports as may be requested by the Secretary;

(h) On or before the 12th day after the end of each month, report to each cooperative association which so requests the percentage of producer milk delivered by members of such association which was used in each class by each handler receiving such milk. For the purpose of this report the milk so received shall be prorated to each class in accordance with the total utilization of producer milk by such handler;

(i) Verify all reports and payments of each handler by audit if necessary, of such handler's records and the records of any other handler or person upon whose utilization the classification of skim milk and butterfat for such handler depends; and by such other means

as are necessary:

(j) Prepare and make available for the benefit of producers, consumers, and handlers, general statistics and information concerning the operation of this order which do not reveal confidential information; and

(k) On or before the date specified publicly announce, by posting in a conspicuous place in his office and by such other means as he deems appropriate, and mail to each handler at his last known address a notice of, the following:

(1) The 5th day of each month, the Class II milk price and the Class II butterfat differential, both for the preceding month, and

(2) The 11th day of each month, the Class I milk price and the Class I butterfat differential, both for the current month; and the uniform prices, computed pursuant to §§ 1009.71 and 1009.72. and the producer butterfat differential, both for the preceding month.

REPORTS, RECORDS, AND FACILITIES

§ 1009.30 Reports of sources and utilization.

On or before the 7th day after the end of each month each handler, except a producer-handler, shall report for such month to the market administrator in the detail and on forms prescribed by the market administrator as follows:

(a) The quantities of skim milk and

butterfat contained in: (1) Producer milk:

- (2) Fluid milk products received from other pool plants and from a cooperative association as a handler pursuant to § 1009.12(c):
 - (3) Other source milk;

(4) Inventories of fluid milk products on hand at the beginning of the month;

(5) Milk caused to be moved from a producer's farm to a plant of another

handler; and

(b) The utilization of all skim milk and butterfat required to be reported pursuant to paragraph (a) of this section, including separate statements as to the disposition of Class I milk outside the marketing area, and inventories of fluid milk products on hand at the end of the month.

§ 1009.31 Other reports.

(a) Each producer-handler shall make reports to the market administrator at such time and in such manner as the market administrator may prescribe;

(b) Each handler, except a producerhandler, shall report to the market administrator in the detail and on forms prescribed by the market administrator:

(1) On or before the 7th day of each of the months of May through August the aggregate quantity of base milk received for the preceding month,

(2) On or before the 20th day after the end of the month, his producer payroll for such month which shall show for each producer: (i) His name and address, (ii) the total pounds of milk received from such producer, including for the months of April through July, the pounds of base milk, (iii) the days for which milk was received from such producer if less than the entire month. (iv) the average butterfat content of such milk, and (v) the net amount of such handler's payment to the producer, together with the price paid and the amount and nature of any deductions.

(3) On or before the day prior to diverting producer milk pursuant to § 1009.6 his intention to divert such milk, the date or dates of such diversion and the nonpool plant to which such milk is

to be diverted, and

(4) Such other information with respect to his sources and utilization of butterfat and skim milk as the market administrator may prescribe.

§ 1009.32 Records and facilities.

Each handler shall maintain and make available to the market administrator during the usual hours of business such accounts and records of his operations and such facilities as are necessary for the market administrator to verify or establish the correct data for each month with respect to:

- (a) The receipt and utilization of all skim milk and butterfat handled in any form
- (b) The weights and tests for butterfat and other content of all products handled;
- (c) The pounds of skim milk and butterfat contained in or represented by all items of products on hand at the beginning and end of each month; and
- (d) Payments to producers, including any deductions authorized by producers, and disbursement of money so deducted.

§ 1009.33 Retention of records.

All books and records required under this part to be made available to the market administrator shall be retained by the handler for a period of three years to begin at the end of the calendar month to which such books and records pertain: Provided, That if, within such three-year period, the market administrator notifies the handler in writing that the retention of such books and records, or of specified books and records, is necessary in connection with a proceeding under section 8c(15)(A) of the act or a court action specified in such notice, the handler shall retain such books and records, or specifled books and records, until further written notification from the market administrator. In either case, the market administrator shall give further written notification to the handler promptly upon the termination of the litigation or when the records are no longer necessary in connection therewith.

CLASSIFICATION OF MILK

§ 1009.40 Skim milk and butterfat to be classified.

The skim milk and butterfat to be reported pursuant to \$1009.30(a) shall be classified each month pursuant to the provisions of §§ 1009.41 through 1009.46.

§ 1009.41 Classes of utilization.

Subject to the conditions set forth in §§ 1009.42 through 1009.46, the classes of utilization shall be as follows:

(a) Class I milk. Class I milk shall be all skim milk and butterfat: (1) Disposed of from the plant in the form of fluid milk products, except those classified pursuant to paragraph (b) (3) and (4) of this section, and (2) not specifically accounted for as Class II milk; and

(b) Class II milk. Class II milk shall be all skim milk and butterfat: (1) Used to produce any product other than a fluid milk product; (2) contained in inventories of fluid milk products on hand at the end of the month; (3) disposed of in bulk to any manufacturer of candy, soup or bakery products who does not dispose of milk in fluid form; (4) disposed of as skim milk and used for livestock feed orskim milk dumped subject to prior notification to and inspection (at his discretion) by the market administrator; and (5) In shrinkage not to exceed 2 percent, respectively, of the skim milk and butterfat contained in producer milk (except that diverted pursuant to § 1009.6), milk received from a cooperative association for which it is a handler pursuant to § 1009.12(c), milk caused to be delivered to the plant pursuant to § 1009.63, and other source milk

received in the form of fluid milk products: Provided, That if shrinkage of skim milk or butterfat is less than such 2 percent it shall be assigned pro rata to the skim milk or butterfat contained in producer milk (except that diverted pursuant to § 1009.6), milk received from a cooperative association for which it is the handler pursuant to § 1009.12(c), milk caused to be delivered to the plant pursuant to § 1009.63, and other source milk received in the form of fluid milk products.

§ 1009.42 Responsibility of handlers.

All skim milk and butterfat to be classified pursuant to this order shall be classified Class I milk, unless the handler who first receives such skim milk and butterfat establishes to the satisfaction of the market administrator that it should be classified as Class II milk.

§ 1009.43 Transfers.

(a) Skim milk and butterfat transferred from a pool plant (or from a cooperative association which is handler pursuant to § 1009.12(c)) to the pool plant of another handler (including that milk which a handler causes to be delivered from a producer's farm to the pool plant of another handler pursuant to § 1009.63) shall be classified as Class I milk unless utilization as Class II milk is mutually reported in writing to the market administrator by both handlers on or before the 7th day after the end of the month within which such transfer occurred, and the amount of skim milk or butterfat so assigned to Class II milk does not exceed the amount of skim milk or butterfat, respectively. remaining in Class II utilization by the transferee handler after the subtraction of other source milk pursuant to \$1009.45: Provided, That the skim milk and butterfat so transferred shall be. classified so as to result in a maximum assignment of producer milk to Class I milk: And provided further, In no case shall the assignment to Class I milk in the transferee plant be greater than the difference between its total receipts of milk and its total utilization of such milk in Class II;

(b) Skim milk and butterfat transferred to the plant of a producer-handler in the form of fluid milk products, shall be classified Class I milk:

(c) Skim milk and butterfat transferred or diverted in bulk form as milk or skim milk to a nonpool milk plant shall be classified Class I milk unless, (1) the transferee-plant is located less than 250 miles from the Court House in Clarksburg, West Virginia, by the shortest hard-surfaced highway distance, as determined by the market administrator. (2) the transferring or diverting handler claims classification in Class II milk in his report submitted to the market administrator pursuant to § 1009.30 for the month within which such transaction: occurred, (3) the operator of the nonpool plant maintains books and records showing the utilization of all skim milk and butterfat at such plant which are made available if requested by the market administrator for the purpose of verification, and

(4) The skim milk and butterfat in the fluid milk products (except in ungraded fluid milk products) disposed of from such nonpool plant do not exceed the receipts of skim milk and butterfat in milk received during the month from dairy farmers approved by a duly constituted health authority for the production of Grade A milk who the market administrator determines constitute the regular source of supply for such plant: Provided, That any skim milk or butterfat in fluid milk products (except in ungraded fluid milk products) disposed of from the nonpool plant which is in excess of receipts from such dairy farmers shall be assigned to the fluid milk products transferred or diverted from a pool plant and shall be classified as Class I milk: And provided further, That if the total skim milk and butterfat which were transferred or diverted during the month to such nonpool plant from all plants fully regulated by this order and other orders issued pursuant to the Act is more than the skim milk and butterfat in fluid milk products disposition at the nonpool plant assignable pursuant to the preceding proviso hereof, the skim milk and butterfat assigned to Class I milk at a pool plant pursuant to this computation shall be not less than that obtained by prorating the assignable fluid milk product disposition at the nonpool plant over the receipts at such plant from all plants fully regulated by this and other orders issued pursuant to the Act: and

(d) Skim milk and butterfat transferred in bulk form as cream to a nonpool plant shall be classified Class I milk unless, (1) the transferring handler claims classification in Class II milk in his report submitted to the market administrator pursuant to § 1009.30, (2) the handler attaches tags or labels to each container of such cream bearing the words "for manufacturing uses only and the shipment is so invoiced. (3) the handler gives the market administrator sufficient notice to allow him to verify such shipment, (4) the operator of the nonpool plant maintains books and records showing the utilization of all skim milk and butterfat at such plant which are made available if requested by the market administrator for the purpose of verification, and (5) not less than an equivalent amount of skim milk and butterfat was actually utilized in the nonpool plant in the use indicated in such report: Provided, That if it is found that an equivalent amount of skim milk and butterfat was not actually used in such plant during the month in such indicated use, the pounds transferred in excess of such actual use shall be classified Class I milk.

§ 1009.44 Computation of skim milk and butterfat in each class.

For each month, the market administrator shall correct for mathematical and other obvious errors, the reports submitted by each handler pursuant to § 1009.30 and compute the total pounds of skim milk and butterfat respectively, in Class I milk and Class II milk at all of the pool plants of such handler: *Provided*, That the skim milk contained in any product utilized, produced or dis-

posed of by the handler during the month shall be considered to be an amount equivalent to the nonfat milk solids contained in such product, plus all of the water originally associated with such solids.

§ 1009.45 Allocation of skim milk and butterfat classified.

- (a) The pounds of skim milk remaining in each class after making the following computations each month with respect to the pool plant(s) of each handler, shall be the pounds of skim milk in such class allocated to the producer milk of such handler for such month.
- (1) Subtract from the total pounds of skim milk in Class II milk the shrinkage of skim milk in producer milk classified as Class II milk pursuant to § 1009.41(b),
- (2) Subtract from the pounds of skim milk remaining in Class II milk the pounds of skim milk in other source milk except that to be subtracted pursuant to subparagraph (3) of this paragraph: Provided, That if the pounds of skim milk to be subtracted are greater than the remaining pounds of skim milk in Class II milk, the balance shall be subtracted from the pounds of skim milk in Class I milk,
- (3) Subtract from the pounds of skim milk remaining in Class II milk the pounds of skim milk in fluid milk products received from plants regulated under another order(s) issued pursuant to the Act and classified as Class I pursuant to such other order(s): Provided, That if the pounds of skim milk to be subtracted are greater than the remaining pounds of skim milk in Class II milk. the balance shall be subtracted from the pounds of skim milk in Class I milk.
- (4) Subtract from the pounds of skim milk remaining in Class II milk the pounds of skim milk contained in inventory of fluid milk products on hand at the beginning of the month: Provided, That if the pounds of skim milk in such inventory exceed the remaining pounds of skim milk in Class II milk the balance shall be subtracted from the pounds of skim milk remaining in Class I milk,
- (5) Subtract the pounds of skim milk in fluid milk products received from other handlers from the pounds of skim milk remaining in the class to which assigned, pursuant to § 1009.43(a),
- (6) Add to the pounds of skim milk remaining in Class II milk the pounds of skim milk subtracted pursuant to subparagraph (1) of this paragraph,
- (7) If the pounds of skim milk remaining in all classes exceed the pounds of skim milk in milk received from producers, subtract such excess from the pounds of skim milk remaining in the various classes in series beginning with Class II milk;
- (b) Determine the pounds of butterfat in each class to be allocated to producer milk in the manner prescribed in paragraph (a) of this section for determining the allocation of skim milk to producer milk; and
- (c) Add the pounds of skim milk and the pounds of butterfat in each class calculated pursuant to paragraphs (a) and (b) of this section and determine the

percentage of butterfat in the producer milk allocated to each class.

§ 1009.46 Inventory reclassification.

From any skim milk or butterfat assigned to Class I milk pursuant to § 1009.45(a) (4) and the corresponding step in § 1009.45(b) subtract in the following order the skim milk and butterfat, respectively, assigned during the preceding month to Class II milk (except shrinkage) pursuant to § 1009.45 in:

(a) Producer milk, and
(b) Other source milk classified and priced as Class I milk pursuant to another Federal order.

MINIMUM PRICES

§ 1009.50 Basic formula price.

The higher of the prices computed pursuant to paragraph (a), (b) or (c) of this section, rounded to the nearest whole cent, shall be known as the basic formula

(a) The average of the basic or field prices per hundredweight reported to have been paid or to be paid for milk of 3.5 percent butterfat content received from farmers during the month at the following plants or places for which prices have been reported to the market administrator or to the Department:

· Present Operator and Location

Borden Co., Mt. Pleasant, Mich. Borden Co., New London, Wis. Borden Co., Orfordville, Wis. Carnation Co., Oconomowoc, Wis. Carnation Co., Richland Center, Wis. Carnation Co., Sparta, Mich. Pet Milk Co., Belleville, Wis. Pet Milk Co., Coopersville, Mich. Pet Milk Co., New Glarus, Wis. Pet Milk Co., Wayland, Mich. White House Milk Co., Manitowoc, Wis. White House Milk Co., West Bend, Wis.

(b) The price resulting from the following computation:

(1) Multiply by 6 the simple average as computed by the market administrator, of the daily wholesale selling prices (using the midpoint of any price range as one price) of Grade A (92-score) bulk creamery butter per pound at Chicago as reported by the Department of Agriculture during the month for which prices are being computed,

(2) Add an amount equal to 2.4 times the simple average as published by the Department of Agriculture of the prices determined per pound of "Cheddars" on the Wisconsin Cheese Exchange at Plymouth, Wisconsin, for the trading days that fall within the month, and

(3) Divide by 7 and to the resulting amount add 30 percent; and then multiply by 3.5:

- (c) The price per hundredweight computed by adding together the plus values of subparagraphs (1) and (2) of this paragraph:
- (1) From the Chicago butter price, subtract 3 cents, add 20 percent thereof, and multiply by 3.5, and
- (2) From the simple average as computed by the market administrator of the weighted averages of the carlot prices per pound for nonfat dry milk solids, spray and roller process, respectively, for human consumption, f.o.b. manufacturing plants in the Chicago

area, as published for the period from the 26th day of the immediately preceding month through the 25th day of the current month by the Department, deduct 5.5 cents and multiply by 8.2.

§ 1009.51 Class prices.

Subject to the provisions of §§ 1009.52 and 1009.53, the minimum class prices per hundred-weight of mill: containing 3.5 percent butterfat to be paid by each handler for milk received at his pool plant from producers during the month shall be determined as follows:

(a) Class I milk price. The Class I milk price shall be the basic formula price (computed pursuant to § 1009.50) for the preceding month, subject to the adjustments provided in subparagraphs (1) and (2) of this paragraph: Provided, That the Class I price shall not be more than 35 cents in excess of, nor less than 15 cents in excess of, the Class I price effective for the same month under the terms of the Greater Wheeling Federal milk order (Part 1002 of this chapter):

(1) Add the amount for the month indicated:

MonthApril, May, June and July_____ \$1.67 All others____ 2, 13

- (2) Add if the utilization percentage calculated pursuant to subparagraph (3) of this paragraph is less than, or subtract if it is more than, the standard utilization range, an amount determined by multiplying the net utilization percentage calculated pursuant to subparagraph (4) of this paragraph by 2 cents;
- (3) Calculate autilization percentage for each month by dividing the net hundredweight of Class I milk disposed of during the first and second preceding months from pool plants at which less than 50 percent of total receipts is milk from a plant(s) fully regulated pursuant to another order issued pursuant to the act into the total hundredweight of producer milk received at such pool plants during the same months, multiplying by .100, and rounding the resultant figure to the nearest whole number;
- (4) Calculate a net utilization percentage by determining the amount by which the utilization percentage calculated pursuant to subparagraph (3) of this paragraph exceeds the higher figure or is less than the lower figure of the standard utilization range in the following table:

Month for which price	Months for which average utilization is com-	utiliz	dard ation ntages
applies	puted	Mini- mum	Maxi- mum
January February March April May June July August September October November December	November-December December-January-Evary-January-February February-March-April April-May May-June-July-July-August-September-October-November	117 115 115 117 129 136 126 117	120 120 118 118 120 132 139 129 120 110

(b) Class II milk price. The Class II milk price shall be the basic formula price computed pursuant to § 1009.50.

§ 1009.52 Butterfat differentials to han-

For milk containing more or less than 3.5 percent butterfat, the class prices calculated pursuant to § 1009.51 shall be increased or decreased, respectively, for each one-tenth percent butterfat at the appropriate rate, rounded to the nearest one-tenth cent, determined as follows:

(a) Class I price. Multiply the Chicago butter price for the preceding month by 0.13; and

(b) Class II price. Multiply the Chicago butter price for the month by 0.115.

§ 1009.53 Location differentials to handlers.

For milk disposed of from a pool plant located 60 miles or more from the City Hall of Clarksburg, West Virginia, by shortest hard-surfaced highway distance, as determined by the market administrator, as Class I milk pursuant to paragraphs (a) and (b) of this section, but not to exceed producer milk received and milk caused to be delivered pursuant to § 1009.63 at such plant, the price specified in § 1009.51(a) shall be reduced at the rate set forth in the following schedule:

Rate per Distance from the City Hall of Clarksburg, W. Va., hundredweight (miles): (cents) 60 but not more than 70

70 but not more than 80_____ 80 but not more than 90_____ For each additional 10 miles or fraction thereof an additional....

- (a) In the case of fluid milk products which are moved from the pool plant to another pool plant, assign to Class I milk for the purposes of this section, that portion of the milk moved which remains after assigning such milk to Class II milk in the transferee plant as determined by the calculations prescribed in § 1009.45(a) (1) through (4), and the comparable steps in § 1009.45(b) for the transferee plant, such assignment to Class II milk in the case of transfers from several plants to be made in the sequence to the transferring plants according to the location differential applicable at each transferring plant, beginning with the plant having the largest differential; and
- (b) Class I disposition from the plant other than disposition to other pool plants.

§ 1009.54 Rate of compensatory pay-

The rate of compensatory payment per hundredweight shall be calculated as follows, except that the rate shall be zero in any month in which total deliveries by producers are less than 110 percent of Class I utilization (excluding duplications) in plants qualified as pool plants pursuant to § 1009.10 (a) and (b):

(a) Subtract the Class II milk price, adjusted by the Class II buttterfat differential, from the Class I milk price adjusted by the Class I butterfat differential and the location differential rates set forth in § 1009.53 for the location of the plant at which the milk was received from farmers. In any month in which total producer deliveries are less than

110 percent of all handlers' Class I uses the rate pursuant to this paragraph shall be zero.

§ 1009.55 Use of equivalent prices.

If for any reason a price quotation required by this part for computing class prices or for other purposes is not available in the manner described, the market administrator shall use a price determined by the Secretary to be equivalent to the price which is required.

Application of Provisions

§ 1009.60 Producer-handlers.

1009.46. Sections 1009.40 through 1009.50 through 1009.53, 1009.61 through 1009.63, 1009.70 through 1009.75, and 1009.80 through 1009.87 shall not apply to a producer-handler.

§ 1009.61 Plants subject to other Federal orders.

A plant spécified in paragraph (a) or (b) of this section shall be treated as a nonpool plant, except that the operator of such plant shall, with respect to total receipts and utilization or disposition of skim milk and butterfat at the plant. make reports to the market administrator at such time and in such manner as the market administrator may require and allow verification of such reports by the market administrator:

(a) Any plant qualified pursuant to § 1009.10 (a) or (c) which disposes of a lesser volume of Class I milk in the Clarksburg marketing area than in a marketing area where milk is regulated pursuant to another order issued pursuant to the act, and which is subject to the classification and pricing provisions of such other order if exempted pursuant to this paragraph from regulation as a pool plant under this part unless the Secretary determines otherwise.

(b) Any plant qualified pursuant to § 1009.10(b) for any portion of the period February through August, inclusive, that the milk of producers at such plant is subject to the classification and pricing provisions of another order issued pursuant to the act and the Secretary determines that such plant should be exempted from this part.

§ 1009.62 Handlers operating nonpool plants.

Each handler who is the operator of a nonpool plant which is not subject to the classification and pricing provisions of another order issued pursuant to the act, shall, on or before the 12th day after the end of each month, pay to the market administrator for deposit into the producer-settlement fund an amount calculated by multiplying the total hundredweight of butterfat and skim milk disposed of in the form of fluid milk products from such nonpool plant to retail or wholesale outlets (including deliveries by vendors and sales through plant stores) in the marketing area during the month, by the rate of compensatory payment calculated pursuant to § 1009.54: Provided, That such payments shall not apply to butterfat or skim milk in excess of butterfat or skim milk received by such nonpool plant from dairy farmers and in the form of

fluid milk products from plants not fully regulated under any Federal order.

§ 1009.63 Milk caused by a handler to be delivered to another handler's pool plant.

Milk caused by a handler, as the operator of a pool plant which is an approved plant pursuant to § 1009.7(a), to be delivered for his account to another handler's pool plant similarly qualified pursuant to § 1009.7(a), shall be considered, for purposes of reporting, classification, and payment, to be received by the handler who so caused the milk to be delivered, if both handlers report such milk as so caused to be delivered.

DETERMINATION OF PRICES TO PRODUCERS

§ 1009.70 Computation of the obligation of each handler.

For each month the market administrator shall compute the obligation of each pool handler as follows:

(a) Multiply the quantity of producer milk in each class by the applicable class price, as adjusted by location differentials on the amount of milk to which location differential allowance applies

pursuant to § 1009.53:

(b) Add an amount computed by multiplying the hundredweight of skim milk and butterfat subtracted from Class I milk pursuant to § 1009.45(a)(2) and (b) by the rate of compensatory payment as determined pursuant to § 1009.54 for the nearest plant(s) from which an equivalent amount of other source milk was received in the form of fluid milk products:

(c) Add the amounts computed by multiplying the pounds of overage deducted from each class pursuant to § 1009.45 (a) (7) and (b) by the appli-

cable class price; and

(d) Add (1) any amount obtained by multiplying any plus amount resulting from the calculations pursuant to § 1009.46(a) by the difference between the Class II price for the preceding month and the Class I price for the current month, and (2) any amount obtained by multiplying any plus amount remaining after the calculation pursuant to § 1009.46(b) by the rate of compensatory payment pursuant to § 1009.54(a).

§ 1009.71. Computation of the uniform price.

For each of the months of August through March, the market administrator shall compute the uniform price per hundredweight of producer milk of 3.5 percent butterfat content, f.o.b. market. as follows:

(a) Combine into one total the obligations computed pursuant to § 1009.70 for all handlers who submit reports prescribed in § 1009.30 and who are not in default of payments pursuant

§ 1009.80 or § 1009.82;

(b) Subtract, if the average butterfat content of the producer milk included under paragraph (a) of this section is greater than 3.5 percent, or add, if such average butterfat content is less than 3.5 percent, an amount computed as follows: Multiply the amount by which the average butterfat content of such milk varies from 3.5 percent by the butterfat

differential computed pursuant to § 1009.73, and multiply the result by the total hundredweight of such milk;

(c) Add an amount equal to the sum of deductions to be made from producer payments for location differentials pursuant to § 1009.74;

(d) Add an amount equal to one-half of the unobligated balance on hand in the producer-settlement fund:

(e) Add the total amount of payment due pursuant to § 1009.62;

(f) Divide the resulting amount by the total hundredweight of producer milk included under paragraph (a) of this section; and

(g) Subtract not less than 4 cents nor more than 5 cents.

§ 1009.72 Computation of uniform prices for base milk and excess milk.

For each of the months of April through July, the market administrator shall compute the uniform prices per hundredweight for base milk and for excess milk, each of 3.5 percent butterfat content, f.o.b. market, as follows:

(a) Compute the aggregate value of excess milk for all handlers who submit reports pursuant to § 1009.30, and who are not in default of payments pursuant to § 1009.80 or § 1009.82 as follows: .(1) Multiply the hundredweight of such milk not in excess of the total quantity of producer milk assigned to Class II milk in the pool plants of such handlers by the Class II milk price, (2) multiply the hundredweight of milk not included in subparagraph (1) of this paragraph by the Class I milk price, and (3) add together the resulting amounts;

(b) Divide the total value of excess milk obtained in paragraph (a) of this section by the total hundredweight of such milk, adjust to the nearest cent and subtract 4 cents. The resulting figure shall be the uniform price for excess milk of 3.5 percent butterfat content

received from producers;

(c) Subtract the total value of excess milk determined by multiplying the uniform price obtained in paragraph (b) of this section, plus 4 cents, times the hundredweight of excess milk from the total value of producer milk for the month as determined according to the calculations set forth in \$1009.71 (a) through (d) then add the total amount of payments due pursuant to § 1009.62;

(d) Divide the amount calculated pursuant to paragraph (c) of this section by the total hundredweight of base milk included in these computations; and

(e) Subtract not less than 4 cents nor more than 5 cents from the price computed pursuant to paragraph (d) of this section. The resulting figure shall be the uniform price for base milk of 3.5 percent butterfat content f.o.b. market.

§ 1009.73 Butterfat differential to producers.

The applicable uniform prices to be , paid each producer shall be increased or decreased for each one-tenth of one percent which the average butterfat content of his milk is above or below 3.5 percent, respectively, at the rate determined by multiplying the pounds of butterfat in producer milk allocated to each class by the appropriate butterfat differential for such class as determined pursuant to § 1009.52, dividing by the total butterfat in producer milk and rounding to the nearest even tenth of a cent.

§ 1009.74 Location differential to producers

The applicable uniform prices to be paid for producer milk, as defined in § 1009.14 (a) and (b), received at a pool plant located 60 miles or more from the City Hall of Clarksburg, West Virginia. by the shortest hard-surfaced highway distance, as determined by the market administrator, or caused to be delivered pursuant to § 1009.63 to a pool plant so located shall be reduced at the rates set forth in § 1009.53 according to the location of such plant.

§ 1009.75 Notification of handlers.

On or before the 11th day after the end of each month, the market administrator shall mail to each handler, who submitted the report(s) prescribed in § 1009.30 at his last known address, a statement showing:

(a) The amount and value of his producer milk in each class and the totals thereof:

(b) For the months of April through July the amounts and value of his base and excess milk respectively, and the totals thereof:

(c) The uniform price(s) computed pursuant to §§ 1009.71 and 1009.72 and the butterfat differential computed pursuant to § 1009.73; and

(d) The amounts to be paid by such handler pursuant to §§ 1009.82, 1009.85, and 1009.86, or § 1009.62 and the amount due such handler pursuant to § 1009.83.

PAYMENTS

§ 1009.80 Time and method of payment.

Each handler shall make payment as follows:

(a) To each producer from whom milk is received during the month and to whom payment is not made pursuant to paragraph (b) of this section:

(1) On or before the last day of each month to each producer who did not discontinue shipping milk to such handler before the 25th day of the month, an amount equal to not less than the Class II price for the preceding month multiplied by the hundredweight of milk received from such producer during the first 15 days of the month, less proper deductions authorized by such producer to be made from payments due pursuant to this paragraph,

(2) On or before the 15th day of the following month, an amount equal to not less than the appropriate uniform price(s) adjusted by the butterfat and location differentials to producers multiplied by the hundredweight of milk or base milk and excess milk received from such producer during the month, subject to the following adjustments: (i) Less payments made to such producer pursuant to subparagraph (1) of this paragraph, (ii) less marketing service deductions made pursuant to § 1009.85, (iii) plus or minus adjustments for errors made in previous payments made to such producer, and (iv) less proper deductions authorized in writing by such

producer: Provided, That if by such date such handler has not received full payment from the market administrator pursuant to § 1009.83 for such month, he may reduce pro rata his payments to producers by not more than the amount of such underpayment. Payments to producers shall be completed thereafter not later than the date for making payments pursuant to this paragraph next following after the receipt of the balance due from the market administrator:

(b) In the case of a cooperative association which the market administrator determines is authorized by its members to collect payment for their milk and which has so requested any handler in writing, such handler shall on or before the 2nd day prior to the date on which payments are due individual producers pay the cooperative association for milk received during the month from the producer members of such association as determined by the market administrator an amount equal to not less than the amount due such producer members as determined pursuant to paragraph (a) of this section:

(c) On or before the 10th day of the following month for milk received from a cooperative association for which it is a handler pursuant to § 1009.12(c) at not less than the value of such milk at the applicable class prices: Provided, That to this amount shall be added one-half of one percent of any amount due such association pursuant to this paragraph for each month or any portion thereof that such payment is overdue.

(d) Each handler who receives milk during the month from producers for which payment is to be made to a cooperative association pursuant to paragraph (b) of this section shall report to such cooperative association or to the market administrator for transmittal to such cooperative association for each such producer as follows:

(1) On or before the 25th day of the month, the total pounds of milk received during the first 15 days of such month, and

(2) On or before the 7th day of the following month (i) the pounds of milk received each day and the total for the month, together with the butterfat content of such milk, (ii) for the months of April through July the total pounds of base milk received, (iii) the amount or rate and nature of any deductions to be made from payments, and (iv) the amount and nature of payments due pursuant to § 1009.84.

§ 1009.81 Producer-settlement fund.

The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund" into which he shall deposit all payments made by handlers pursuant to §§ 1009.62. 1009.82 and 1009.84, and out of which he shall make all payments pursuant to §§ 1009.83 and 1009.84: Provided, That any payments due to any handler shall be offset by any payments due from such handler.

§ 1009.82 Payments to the producersettlement fund.

On_or before the 12th day after the end of each month, each handler, including a cooperative association which is a handler, shall pay to the market administrator any amount by which his obligation as computed pursuant to § 1009.70 for such month, is greater than the amount owed by him for such milk at the appropriate uniform price(s) adjusted by the producer butterfat and location differentials: Provided, That to this amount shall be added one-half of one percent of any amount due the market administrator pursuant to this section for each month or any portion thereof that such payment is overdue.

§ 1009.83 Payments out of the producersettlement fund.

· On or before the 13th day after the end of each month, the market administrator shall pay to each handler any amount by which his obligation computed pursuant to § 1009.70, for such month is less than the amount owed by him for such milk at the appropriate uniform price(s) adjusted by the producer butterfat and location differentials. If at such time the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete such payments as soon as the appropriate funds are available.

§ 1009.84 Adjustment of accounts.

Whenever audit by the market administrator of any reports, books, records or accounts or other verification discloses errors resulting in monies due (a) the market administrator from a handler, (b) a handler from the market administrator, or (c) any producer or cooperative association from a handler, the market administrator shall promptly notify such handler of any amount so due and payment thereof shall be made on or before the next date for making payments set forth in the provisions under which such error occurred.

§ 1009.85 Marketing services.

(a) Except as set forth in paragraph (b) of this section, each handler, in making payments to producers for milk (other than milk of his own production) pursuant to § 1009.80, shall deduct 5 cents per hundredweight, or such amount not exceeding 5 cents per hundredweight, as may be prescribed by the Secretary, and shall pay such deductions to the market administrator on or before the 15th day after the end of the month. Such money shall be used by the market administrator to provide market information and to check the accuracy of the testing and weighing of their milk for producers who are not receiving such service from a cooperative association;

(b) In the case of producers who are members of a cooperative association which the Secretary has determined is actually performing the services set forth in paragraph (a) of this section, each handler shall (in lieu of the deduction specified in paragraph (a) of this section), make such deductions from the payments to be made to such producers as may be authorized by the membership agreement or marketing contract between such cooperative association and

such producers, and on or before the 13th day after the end of each month, pay such deductions to the cooperative association of which such producers are members, furnishing a statement showing the amount of any such deductions and the amount of milk for which such deduction was computed for each producer.

§ 1009.86 Expenses of administration.

On or before the 15th day after the end of each month, each handler shall pay to the market administrator, 4 cents or such lesser amount as the Secretary may prescribe, for each hundredweight of butterfat and skim milk contained in (a) producer milk (except producer milk received by a cooperative association as a handier pursuant to § 1009.12(c), (b) milk received from a cooperative association as a handler pursuant to § 1009.12 (c), (c) other source milk allocated to Class I milk pursuant to § 1009.45 (a) (2) and (b), and (d) Class I milk disposed of in the marketing area (except to a pool plant) from a nonpool plant as determined pursuant to § 1009.62.

§ 1009.87 Termination of obligations.

The provisions of this section shall apply to any obligations under this part for the payment of money.

(a) The obligation of any handler to pay money required to be paid under the terms of this part shall, except as provided in paragraphs (b) and (c) of this section, terminate 2 years after the last day of the calendar month during which the market administrator receives the handler's utilization report on the milk involved in such obligation, unless within such 2-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain, but need not be limited to, the following information:

(1) The amount of the obligation, (2) The month(s) during which the milk, with respect to which the obligation exists was received or handled, and

(3) If the obligation is payable to one or more producers or to an association of producers, the name of such producer(s) or association of producers, or if the obligation is payable to the market administrator, the account for which it is to be paid;

(b) If a handler fails or refuses, with respect to any obligation under this part, to make available to the market administrator or his representatives all books and records required by this part to be made available, the market administrator may, within the 2-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said 2-year period with respect to such obligation shall not begin to run until the first day of the calendar month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representa-

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a

handler's obligation under this part to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed; and

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this part shall terminate 2 years after the end of the calendar month during which the payment (including deduction or setoff by the market administrator) was made by the handler, if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant to section 8c(15) (A) of the act, a petition claiming such money.

DETERMINATION OF BASE

§ 1009.90 Computation of daily average base for each producer.

Subject to the rules set forth in § 1009.91, the daily average base for each producer shall be an amount calculated by dividing the total pounds of milk produced by and received from such producer at all pool plants during the months of September through December immediately preceding, by the number of days from the first day of delivery by such producer during such months to the last day of December, inclusive, or by 90, whichever is more: Provided, That any producer who, during the preceding months of September through December, delivered his milk to a nonpool plant which became a pool plant after the beginning of such period shall be assigned a base, in the same manner as if he had been a producer during such period, calculated from his deliveries during such September-December period to such plant.

§ 1009.91 Base rules.

The following rules shall apply in connection with the establishment and assignment of bases:

- (a) Subject to the provisions of paragraph (b) of this section, the market administrator shall assign a base as calculated pursuant to \$1009.90 to each person for whose account producer milk was delivered to pool plants during the months of September through December; and
- (b) A base which is assigned pursuant to the proviso of § 1009.90 shall be nontransferable. An entire base which is otherwise assigned shall be transferred from a person holding such base to any other person, effective as of the end of any month during which an application for such transfer is received by the market administrator, such application to be on forms approved by the market administrator and signed by the baseholder, or his heirs, and by the person to whom such base is to be transferred: Provided. That if a base is held jointly, the entire base shall be transferable only upon the receipt of such application signed by all joint holders or their heirs, and by the person to whom such base is to be transferred.

§ 1009.92 Announcement of established sions of this part, to other persons or bases.

On or before February 15, of each year. the market administrator shall notify each producer, and the handler receiving milk from such producer, of the daily average base established by such producer.

> EFFECTIVE TIME, SUSPENSION, OR TERMINATION

§ 1009.100 Effective time.

The provisions of this part, or any amendment thereto, shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated.

§ 1009.101 Suspension or termination.

The Secretary shall, whenever he finds that any or all provisions of this part, or any amendment thereto, obstruct or do not tend to effectuate the declared policy of the act, terminate or suspend the operation of any or all provisions of this part or any amendment thereto.

§ 1009.102 Continuing obligations.

If, upon the suspension or termination of any or all provisions of this part, or any amendment thereto, there are any obligations thereunder the final accrual or ascertainment of which requires further acts by any person (including the market administrator), such further acts shall be performed notwithstanding such suspension or termination.

§ 1009.103 Liquidation.

Upon the suspension or termination of any or all provisions of this part, the market administrator, or such other liquidating agent as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office, dispose of all property in his possession or control. including accounts receivable, and execute and deliver all assignments or other instruments necessary or appropriate to effectuate any such disposition. If a liquidating agent is so designated, all assets, books and records of the market administrator shall be transferred promptly to such liquidating agent. If, upon such liquidation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expenses of liquidating and distribution, such excess shall be distributed to contributing handlers and producers in an equitable manner.

Miscellaneous Provisions

§ 1009.110 Agents.

The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent and representative in connection with any of the provisions of this part.

§ 1009.111 Separability of provisions.

If any provisions of this part, or its application to any person or circumstances, is held invalid, the application of such provision, and of the remaining provicircumstances shall not be affected thereby.

[F.R. Doc. 60-623; Filed, Jan. 21, 1960; 8:45 a.m.]

DEPARTMENT OF HEALTH, EDU-CATION, AND WELFARE

Food and Drug Administration

[21 CFR Part 121]

RESIDUES OF A LUBRICANT MIXTURE CONSISTING OF KERO-SENE OR MINERAL OIL WITH FATTY ALCOHOLS ON METALLIC **FOOD CONTAINERS**

Notice of Filing of Petition for Issuance of a Regulation Establishing a Tolerance

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(b) (5), 72 Stat. 1786; 21 U.S.C. 348(b) (5)), the following notice is issued:

A petition has been filed by Allegheny Refining Company, Post Office Box 235, Verona, Pennsylvania, proposing the issuance of a regulation to establish a tolerance of 5 mg. per square foot of metallic food container, for residues of kerosene or mineral oil with fatty alcohols remaining from use of this mixture as a lubricant in the manufacturing process.

Dated: January 15, 1960.

GEO. P. LARRICK. Commissioner of Food and Drugs.

[F.R. Doc. 60-651; Filed, Jan. 21, 1960, 8:48 a.m.]

SMALL BUSINESS ADMINISTRA-

[13 CFR Part 107] INVESTMENT COMPANIES

Notice of Proposed Rule Making

Notice is hereby given that, pursuant to authority contained in section 308, Public Law 85-699, 72 Stat. 694, it is proposed to amend, as set forth below. §§ 107.302-3, 107.308-4, and 107.308-5 of Part 107 of Subchapter B, Chapter I of Title 13 of the Code of Federal Regulations. Part 107, Subchapter B, Chapter I, of Title 13 of the Code of Federal Regulations, governing the establishment and operation of small business investment companies chartered or licensed by the Small Business Administration to operate under the Small Business Investment Act of 1958, and to carry out the provisions of said Act, was published in the FEDERAL REGISTER on December 4, 1958 (23 F.R. 9383), and became effective upon publication in the Federal Register. Prior to final adoption of such amendments of the Regulation, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, in triplicate, to the Investment Division, Small Business Administration, Washington 25, D.C., within a period of 30 days from the date of publication of this notice in the Federal REGISTER.

INFORMATION

The amendments under consideration change the provisions of present § 107.302-3 relating to disclosures and stockholder protection, § 107.308-4 pertaining to examination of small business investment companies and § 107.308-5, concerning reporting requirements. Section 107.308-5 as revised requires small business investment companies to submit Financial Report, SBA Form 468, to SBA.

Small business investment companies required to file a registration statement under the Investment Company Act of 1940 should refer to the rules and forms promulgated by the Securities and Exchange Commission, Washington 25, D.C., concerning the applicability of this report in fulfilling the Commission's requirements for financial reports.

Amendment 1. The Small Business Investment Companies Regulation (23 F.R. 9383) is hereby amended by deleting §§ 107.302-3, 107.308-4, and 107.308-5 and substituting the following revised §§ 107.302-3, 107.308-4, and 107.308-5 in lieu thereof:

§ 107.302-3 Manner of operation and disclosure to investors and stockholders.

Each Licensee shall comply with all applicable State or Federal law affecting its operation, including, but not limited to, any and all State or Federal law requiring Licensee to furnish its investors and shareholders with financial reports containing full and complete disclosure of all matters significant to their interests.

§ 107.308-4 Examinations.

(a) Each Licensee shall be subject to examination by SBA.

(b) 'Such examinations shall cover any and all matters as determined by SBA, and shall be conducted by SBA examiners or by any examiners selected or approved by SBA.

(c) The cost of each examination made by other than SBA examiners shall be paid by the Licensee involved; and the cost of any examination made by SBA examiners, including the compensation of such examiners, may, in the discretion of SBA, be assessed against the company examined and when so assessed shall be paid by such company.

(d) The time and manner of conducting any such examination shall be determined by SBA in each case.

(e) As such examination, SBA may accept an audit and examination conducted by an independent certified public accountant and a report thereof containing the accountant's certificate required by § 107.308-5, together with such additional information as may be requested by SBA.

§ 107.308-5 Reports.

(a) Each Licensee shall keep current financial records in accordance with generally accepted accounting principles. All financial reports furnished to SBA by Licensees shall make full and complete disclosure of all matters relevant to the Act and Regulations.

(b) At the time any financial report is furnished to investors and shareholders of a Licensee, such Licensee shall submit to the Investment Division, Small Business Administration, Washington 25. D.C., three (3) copies of such report.

(c) Each Licensee shall submit to SBA, at the end of the first six months period of the fiscal year, a report containing financial statements covering such six months period; at the end of each fiscal year a report containing financial statements for the fiscal year; and, when requested by SBA, interim financial reports. The fiscal year to which such reports shall relate shall be for SBA purposes the period beginning April 1 and ending March 31.

(1) The report as of the end of each fiscal year shall contain, or be accompanied by, an opinion by an independent certified public accountant on the financial statements for the fiscal year included therein, unless a different twelvemonth period to be covered by the annual audit is expressly given prior approval in writing by SBA. Such opinion shall be based on an audit conducted in accordance with generally accepted audit-

ing standards.

(2) The accountant's certificate shall be dated, shall be signed manually, and shall identify without detailed enumeration the financial statements covered by the certificate. The accountant's certificate (i) shall state whether the audit was made in accordance with generally accepted auditing standards; and (ii) shall designate any auditing procedures generally recognized as normal, or deemed necessary by the accountant under the circumstances of the particular case, which have been omitted, and the reasons for their omission. Nothing in this Regulation shall be construed to imply authority for the omission of any procedure which independent accountants would ordinarily employ in the course of an audit made for the purpose of expressing the opinion required as stated hereinafter. The accountant's certificate shall state clearly: (a) The opinion of the accountant in respect to the accounting principles and practices reflected in the financial statements and as to the fairness with which the financial statements present the financial position of the Licensee at the audit date and the results of its operations for the period: (b) the opinion of the accountant as to any material changes in accounting principals or practices or method of applying the accounting principles or practices, or adjustments of the accounts, which affect comparability of such financial statements with those of prior or future periods; and (c) the nature of, and the opinion of the accountant as to, any material dif-

ferences between the accounting principles and practices reflected in the financial statements and those reflected in the accounts after the entry of adjustments for the period under review. Any matters to which the accountant takes exception shall be clearly identifled, the exception thereto specifically and clearly stated, and, to the extent practicable, the effect of each such exception on the related financial statements given. (d) The financial reports required by

this section to be submitted to SBA by Licensees shall commence with the report for the fiscal year ending March 31, 1960, and shall be on the prescribed form constituting the Financial Report, SBA Form 468, which is designed for submission in part or in its entirety. Part I requires statement of financial condition, statement of statutory capital and surplus, statement of income and expense, and statement of realized gain or loss on investments. Part II requires supporting Schedules 1 through 6, and Part III requires supporting Schedules 7 through 17. Part I comprises the interim report required to be submitted, upon request by SBA, for any period of one month or more. Parts I and II comprise the report required to be submitted to SBA covering the first.six months period of each fiscal year. Parts I, II, and III comprise the annual report required to be submitted to SBA covering the entire fiscal year. With the exception of the annual report upon which an independent certified public accountant has expressed an opinion, the Financial Report shall be submitted in triplicate to the Investment Division, Small Business Administration, Washington 25, D.C., on or before the last day of the month immediately following the close of the period covered by the report. Such annual report shall be submitted in triplicate to the Investment Division, Small Business Administration, Washington 25, D.C., on or before the last day of the third month following the close of the fiscal year to which such annual report relates. When the Licensee has one or more branch offices, the data contained in the basic financial statements and all supporting schedules shall comprise a consolidation of the figures for the principal office and all branches. All money amounts required to be shown in the financial statements and schedules may be expressed in even dollars. at the option of the Licensee. If the financial data are expressed in even dollars, appropriate adjustments of individual amounts shall be made for the fractional parts of a dollar so that the items will add to the totals shown. The Financial Report prepared by each Licensee shall present fairly the financial condition and results of operation of the Licensee for the period covered and shall be prepared in accordance with the detailed instructions given in paragraph (h) of this section.

(e) The verification of the Financial Report shall bear the signature of the chief financial officer, or other officer authorized by the board of directors to

sign in the event the chief financial officer is unavailable. The date on which the signature is affixed shall be shown. When only Part I of the Financial Report is submitted, the signature shall be affixed in the space provided therefor in Part I: when Parts I and II of the Financial Report are submitted, the signature shall be placed in the space provided therefor in Part II and need not be affixed in Part I: and when Parts I. II. and III of the Financial Report are submitted, the signature shall be entered in the space provided therefor in Part III and need not be affixed in either Part I or Part II. When Parts I, II, and III are submitted, a secretarial officer of the Licensee shall attest by signature to the fact that the minutes of a meeting of the board of directors of the Licensee show that the Financial Report comprising Parts I, II, and III has been reviewed and approved by the board of directors. All three copies of the Financial Report to be furnished to the Small Business Administration shall bear the original signature(s) of the verifying officer(s)

in ink.
(f) Whenever any assets are pledged as collateral or are earmarked for segregation under a negative pledge or similar agreement, the word "pledged" or the word "earmarked," as appropriate, together with the amount involved, shall be shown in parentheses immediately following the appropriate asset title in the statement of financial condition, and the identity of the assets pledged or earmarked shall be indicated in the supporting schedules. Whenever amounts are classified as "current" and "noncurrent," 'current" shall refer to the amount maturing within one year and "noncurrent" shall refer to the amount maturing after one year. If, however, an amount will mature within one year but is not reasonably expected to be paid when due, it shall be classified as "noncurrent."

(g) Copies of the Financial Report, SBA Form 468, together with instructions, are available at the Office of the Administrator of the Small Business Administration, 811 Vermont Avenue NW., Washington 25, D.C., and all Regional offices of the Small Business Administration, the addresses of which offices may be obtained from the Office of the Administrator of the Small Business Administration, 811 Vermont Avenue NW., Washington 25, D.C.

(h) The Financial Report, SBA Form 468, required to be used by all Licensees in making financial reports to SBA is designed to furnish the companies and SBA with the information needed for their respective purposes. The Financial Report, SBA Form 468, which is incorporated and expressly made a part of this section, shall be prepared as follows:

PART I

STATEMENT OF FINANCIAL CONDITION Assets

1. Cash on hand and in banks. State the total of all demand deposits, time deposits, cash items in process of collection, and the petty cash fund.

- 2. U.S. Government obligations, direct and fully guaranteed. State at cost the total investment in direct obligations of the United States Government and those obligations guaranteed as to principal and interest by the United States Government. State current market value parenthetically.
- 3. Notes receivable. State the total un-paid principal amount of notes receivable, except notes representing amounts due from debtors on sale of assets acquired in liquidation of loans and debentures.
- Accounts receivable. State the total of all amounts due for (1) advisory, consulting, appraisal, loan, and miscellaneous services rendered; (2) services rendered to "participating" companies and other lenders on their participations in loans, assets acquired in liqui-dation of loans and debentures, and amounts due from debtors on sale of assets acquired in liquidation of loans and debentures of the "initiating" company; (3) making funds available on a deferred basis to "initiating" companies and other lenders in connection with their loans or commitments to small business concerns and (as an "initiating" company) making funds available on a deferred basis on loan commitments to small business miscellaneous concerns; and (4) amounts due on open account other than declared dividends receivable.
- 5. Dividends receivable. State the amount of declared dividends receivable on capital stock of small business con-
 - (a) Less: Allowance for uncollectibles (applicable to items 3, 4, and 5). State the amount of the valuation reserve provided for estimated losses on the foregoing receivables.
- 6. Accrued interest receivable. State the total amount of (1) interest accrued on loans to and convertible debenture bonds of small business concerns, United States Government obligations (direct and fully guaranteed), notes receivable, sales contracts, and other interest bearing amounts due from debtors; (2) the full amount of interest accrued on loans participated in by others, less amount due "participating" companies; and (3) interest accrued on the amount of the company's participation in loans initiated by others.
 - (a) Less: Allowance for uncollectibles. State the amount of the valuation reserve provided for estimated losses of accrued interest receivable.
- 7 and 13. Loans (Section 305). Show the current and noncurrent portions, respectively, of the unpaid balance of amounts advanced on loans to small business concerns pursuant to section 305 of the Small Business Investment Act of 1958.
- and 13(a). Less: Participation by others. State the outstanding balances of participations of others in loans (section 305) which relate to the current and noncurrent portions
- of such loans, respectively.
 and 13(b). Less: Sold with recourse,
 less company's equity. Show the current and noncurrent portions, respectively, of the unpaid principal balance of loans to small business concerns which have been sold with recourse on the company, less the company's equity in such transferred loans.
- 13(c). Net. Enter the balance resulting from the deduction of the appropriate amount opposite item 13b from item 13.

- crow pending the closing of loans to small business concerns.
- 9. and 14. Debenture bonds of SBCs (Section 304). Show the current and noncurrent portions, respectively, of the total value at cost of debenture bonds of small business concerns acquired pursuant to Section 304 of the Small Business Investment Act of 1958.
- and 14(a). Less: Sold with recourse, less company's equity. Show the current and noncurrent portions, respectively, of the value at cost of unmatured debenture bonds issued by small business concerns to the company which have been sold with recourse on the company, less the company's equity in such transferred debenture bonds.
- 14(b). Net loans and debenture bonds of SBCs. Enter the total of items 13(c) and the appropriate amount opposite
- item 14(a).

 Less: Allowance for uncollectibles.

 State the amount of the valuation reserve provided for estimated losses on loans and debentures for funds lent small business concerns.
- 10 and 22. Due from directors, officers, and employees. Show the current and noncurrent portions, respectively, of the unpaid balance of amounts advanced to directors, officers, and employees.
- 11. Other current assets. State the total of all current amounts due the company not provided for elsewhere.
- 12. Total current assets. Enter the total of the appropriate amounts opposite items 1, 2, 5(a), 6(a), 7(b), 8, 9(a), 10, and
- 15. Capital stock of small business concerns. State the value at cost of capital stock of small business concerns owned by the company.
 - (a) Less: Allowance for losses. State the amount of the valuation reserve provided for estimated losses on capital stock of small business con-
- cerns owned by the company. 16. Amounts due from debtors on sale of assets acquired in liquidation of loans and debentures. State the total of the unpaid balances of accounts, notes, sales contracts, purchase money mortgages, etc., evidencing indebtedness to the company arising from the sale of assets acquired in liquidation of loans and debentures.
 - (a) Less: Participation by others. State the outstanding balance of participations of others in amounts due the company from debtors on sale of assets acquired in liquidation of loans
 - and debentures.
 (b) Less: Allowance for uncollectibles. State the amount of the valuation reserve provided for estimated losses of amounts due from debtors on sale of assets acquired in liquidation of loans and debentures.
- 17. Assets acquired in liquidation of loans and debentures. State, as recorded in the books of account, the company's investment in assets acquired by fore-closure or otherwise in liquidation of loans and debentures, including judgments and sheriffs' certificates.
 - (a) Less: Participation by others. State the outstanding balance of participations of others in assets acquired by the company in liquidation of loans and debentures.
 - (b) Less: Allowance for losses. State the amount of the valuation reserve provided for estimated losses on assets acquired in liquidation of loans and debentures.

- 8. Loan funds in escrow pending closing. 18. Total Loans and Investments. Enter the State the amount of loan funds in escription that the total of the appropriate amounts opposite items 14(c), 15(a), 16(b), and 17(b).
 - 19. Corporate premises owned-land. State the actual cost of acquisition of the land used as the site of the company's office quarters, plus the actual cost of improvements (benefits) applicable to the land.
 - premises owned-building. 20. Corporate State the actual cost of acquisition of the building used as the company's office quarters, plus the actual cost of any improvements applicable to the building.
 - (a) Less: Accumulated depreciation. State the amount of the valuation reserve provided for depreciation of the building and other depreciable improvements of corporate premises owned.
 - 21. Furniture and equipment. State the total cost of furniture, fixtures, and equipment (including automobiles) owned by the company.
 - (a) Less: Accumulated depreciation. State the amount of the valuation reserve provided for depreciation of furniture, fixtures, and equipment.
 - repayments or deferred charges. State the total amount of unexpired expenses applicable to future periods, such as prepayments of insurance, the unamortized balance of discount on unmatured outstanding debentures payable sold by the company for a sum less than par, and the unamortized cost of improvements to leased property used as the company's office quarters.
 - 24. Organization costs. State the total amount of legal fees, promotional ex-pense, incorporation fees, and similar costs incurred in organizing the com-
 - 25. Other. State the total amount of assets at cost not provided for elsewhere, including recoverable amounts advanced for the protection and preservation of the company's investments.
 - 26. Total other assets. Enter the total of the appropriate amounts opposite items 19, 20(a), 21(a), 22, 23, 24, and
 - 27. Total. Enter the total of items 12, 18, and 26.

Liabilities, Capital Stock, and Surplus

- 28. Obligations payable to SBA, maturing within one year. State the total of the current portions of the unpaid principal balance of notes payable for funds borrowed from SBA and the unpaid principal balance of funds received by the company under its subordinated debenture bond payable issued to SBA.
- 29. Obligations payable to other than SBA, maturing within one year. State the total amount of the current portions of the unpaid principal balance of notes payable for funds borrowed from other than SBA, installments to be paid on the company's unsubordinated debenture bonds, subordinated debenture bonds payable to other than SBA, and mortgages payable for funds borrowed on corporate premises or other real
- on corporate premises or other real estate.

 30. Accounts payable. State the total of accounts payable (1) for services rendered to the company on its participations in loans, assets acquired in liquidation of loans and debentures, and amounts due from debtors on sale of assets acquired in liquidation of loans and debentures; (2) for compitations are desirable and debentures; (2) for compitations are desirable and debentures; (2) for compitations and debentures; (2) for compitations are desirable and debentures; (3) for compitations are desirable and debentures. loans and debentures; (2) for commitment fees for having funds made available on a deferred basis by "par-

- ticipating" companies; and (3) on open account. Accounts payable for the purchase of securities, if signifi-
- cant, shall be shown parenthetically.
 31. Accrued interest. State the total amount of interest accrued on the company's notes, mortgages, and debentures payable; on loans and debentures of small business concerns sold with recourse on the company; and on other interest-bearing obligations.

 32. Accrued salaries. State the total amount

of the company's liability for accrued salaries.

33. Accrued taxes on income. Show the total amount of estimated Federal and State income taxes accrued and un-

paid.
34. Other accruals. State the total amount of the company's liability for accrued social security taxes and other accrued expenses.

- 35. Dividends payable. State the total amount of the company's liability for dividends, other than stock dividends, declared by the Board of Directors on capital stock issued and outstanding.
- 36 and 46. Amounts due directors, officers, and employees. Show the current and noncurrent portions, respectively, of amounts owed to directors, officers, or employees, other than salaries.
- 37. Federal taxes withheld. State the total amount of Federal income and social security taxes withheld from employees' salaries and not yet remitted to the Internal Revenue Service.
- 38. State and city taxes withheld. Show the total amount of State income and city taxes withheld from employees' salaries and not yet remitted to the appropriate tax collectors.
- 39. Unapplied receipts. State the amount of funds received by the company which have not been applied to loans, debenture bonds, interests receivable, etc.
- 40. Advance interest payments. State the total amount of interest collected on interest-bearing items prior to the interest maturity date.
- 41. Miscellaneous trust receipts. State the total amount of the company's liability for funds withheld or received in trust not provided for elsewhere, including earnest money deposits and funds withheld from employees' salaries for the purchase of United States savings bonds, payment of group life insurance premiums, etc.
- 42 and 48. Other. Show the current and noncurrent portions, respectively, of the unpaid principal balance of notes payable in evidence of amounts owed by the company other than for funds borrowed, and of the amount of liabilities not provided for elsewhere
- 43. Total Current Liabilities. Enter the total of items 28 through 42.

44. Obligations payable after one year.

- (a) For funds borrowed from SBA (section 303). Show the noncurrent portion of the total unpaid principal balance of notes payable for funds borrowed from SBA.
- (b) For funds borrowed from other than SBA. Show the total of the noncurrent portions of notes payable for funds borrowed from other than SBA, installments on unsubordinated debenture bonds payable issued for funds borrowed and installments on subordinated debenture bonds payable issued to other than SBA for funds borrowed.

- 45. Mortgages payable. Show the noncurrent portion of mortgages payable for funds borrowed on corporate premises or other real estate owned by the company.
- 47. Unamortized premium on debentures payable. State the amount of the unamortized balance of premium on unmatured outstanding debentures payable sold by the company for a sum in excess of par.
- 49. Debenture, subordinated, issued to SBA (section 302). Show the noncurrent portion of the unpaid principal balance of funds received by the company under its subordinated debenture bond payable issued to SBA.

50. Total Liabilities. Enter the total of the appropriate amounts opposite items 43, 48, and 49.

- 51. Capital stock. Show the total par or stated value of the capital stock authorized less unissued capital stock, plus any capital stock dividends declared payable by the company's Board of Directors and not issued as of the date of the report.
 - (a) Capital stock subscribed. Show the total par or stated value of the company's capital stock subscribed.
 - (b) Less: Subscriptions receivable. Show the total amount of the unpaid balances of capital stock subscriptions receivable.
 - (c) Total. Enter the total of the appropriate amounts opposite items 51 and 51(b).

52. Surplus.

- (a) Paid-in surplus. State the total amount of surplus arising from (1) disposition of the company's stock initially at a price above par value; (2) sales of treasury stock in excess of carrying value; (3) donations of the company's stock carried as treasury stock at fair market value or par value; (4) donations or gifts of assets carried at not in excess of fair market value: (5) retirements of stock purchased at less than par value; and (6) other capital equity transactions with stockholders.
- (b) Retained earnings. State the accumulated balance of the company's undistributed net income and undistributed net realized gain on investments since incorporation.
- (c) Appropriated retained earnings. State the total amount of retained earnings earmarked for some future purpose and thus restricted from dividend distribution.
- 53. Total. Enter the total of the appropriate amounts opposite items 51(c) and 52(c).
- 54. Less: _____ shares of treasury stock, at cost. State the number of shares and the total amount of the company's issued capital stock which has been reacquired and not retired.
- 55. Total. Enter the total of the appropriate amounts opposite items 50 and 54.

STATEMENT OF STATUTORY CAPITAL AND SURPLUS

- 1. Debenture, subordinated, issued to SBA. State the total of the unpaid principal balance of funds received under the subordinated debenture bond payable issued to SBA. This amount shall agree with the total of the appropriate portion of item 28 plus item 49 of the Statement of Financial Condition.
- 2. Capital stock and surplus. State the total amount of capital stock and surplus shown as the resultant figure opposite item 54 of the Statement of Financial Condition.

3. Total. Enter the total of items 1 and 2 of this Statement of Statutory Capital and Surplus.

STATEMENT OF INCOME AND EXPENSE

Income

- 1. Commitment income. State the total of the amount of income earned on commitments to small business firms for loans and debenture bonds, and the amount of commitment income on deferred participations of the company in the lending activities of other financial institutions.

 2. Interest on loans. State the amount of
- interest earned on loans (section 305) to small business concerns.
- 3. Interest on debenture bonds of SBCs. State the amount of interest earned on debenture bonds of small business concerns owned by the company pursuant to section 304.
- 4. Interest on U.S. Government securities. State the amount of interest earned on United States Government obligations, direct and fully guaranteed.
- 5. Interest on amounts due from debtors on sale of assets acquired in liquidation of loans and debentures. State the amount of interest earned on amounts due from debtors on sale of assets acquired in liquidation of loans and debentures.
- 6. Interest income—other. State amount of interest earned on loan funds in escrow pending closing, on notes receivable (except those from debtors on sale of assets acquired in liquidation of loans and debentures), and on other interest-bearing receiv-
- ables not provided for elsewhere.
 7. Compensation income-participations sold. State the amount of compensation earned by the company for loan services rendered in connection with par-
- ticipations sold.

 8. Advisory and consulting service fees.
 State the amount of fees charged for advisory, consulting, and related services rendered to small business concerns.
- 9. Appraisal and investigation fees. State the amount of fees charged for appraisal, investigation, and related services rendered to banks or other financial institutions.
- 10. Miscellaneous fees. State the amount of fees charged for application, appraisal, investigation, and related services rendered to small business concerns.
- 11. Dividends on capital stock of SBCs. State the amount of income from declared dividends on capital stock of small business concerns.
- 12. Sharings in income of SBCs. State the amount of sharings or participations in the income of small business concerns.
- 13. Income from assets acquired in liquidation of loans and debentures. State the amount of income earned on assets acquired in liquidation of loans and debentures, including the operation of properties so acquired.
- 14. Other income. State the total amount of (1) recoveries on assets directly written off; (2) income earned from the leasing or renting to others of portions of corporate premises owned; (3) gain or loss on debentures payable purchased and retired; and (4) .other income of a miscellaneous nature.
- 15. Total. Enter the total of items 1 through 14.

PROPOSED RULE MAKING

Expense

16. Commitment expense. State the total amount of commitment expense on (1) commitments from SBA to make funds available on a subordinated debenture and (2) deferred participations of other financial institutions in the company's lending activities.

17. Interest on notes and other obligations payable to SBA. State the total amount of interest expense on notes payable and the subordinated debenture payable, all issued for funds bor-

rowed from SBA.

- 18. Interest on obligations payable to other than SBA. State the total amount of interest expense on (1) loans to small business concerns sold with recourse to other than SBA; (2) debenture bonds of SBCs sold with recourse to other than SBA; (3) notes payable for funds borrowed from other than SBA; (4) subordinated and unsubordinated debentures payable issued to other than SBA; (5) mortgages payable for funds borrowed; and (6) miscellaneous obligations.
- 19. Compensation expense - participations purchased. State the amount of compensation expense for loan services received from "initiating" companies in connection with participations purchased.
- 20. Debenture and fiscal agent expense. State the amount of charges for services rendered and expenses incurred by the company's fiscal agent, and expenses directly incident to the sale, redemption, and servicing of debentures payable.

21. Expense on assets acquired in liquidation of loans and debentures. State the amount of expense incurred on assets acquired in liquidation of loans and debentures, including the operation of properties so acquired.

- 22. Operating expenses. State the total amount of operating expenses, including advertising, appraisal, consulting, auditing, communications, space occupancy, depreciation of office building and equipment, directors' and stockholders' meetings, insurance, loan service, investment adviser, legal, miscellaneous services and supplies, salaries, taxes (other than income), and uncollectible receivables expenses.
- 23. Amortization of discount (premium) on debentures payable. State the net amount of amortization of discount or premium on unmatured - outstanding debentures payable issued by the company.
- 24. Loss (gain) on other assets. State the net amount of loss (gain) on the sale or other disposition of assets not provided for elsewhere.
- 25. Total. Enter the total of items 16 through 24.
- 26. Net income before taxes on income. Enter the balance resulting from the deduction of item 25 from item 15.
- 27. Provision for Federal and other income State the amount of the Federal and other income tax accruals relating to income exclusive of net realized gain or loss on investments.
- 28. Net income exclusive of net realized gain or loss on investments. Enter the balance resulting from the deduction of item 27 from item 26.

STATEMENT OF REALIZED GAIN OR LOSS ON INVESTMENTS

1. U.S. Government securities. Show the aggregate cost, aggregate net proceeds, and net gain or loss on the sale or other disposition of United States Government obligations, direct and

fully guaranteed.

2. Debenture bonds of SBC's. Show the aggregate cost, aggregate net proceeds, and net gain or loss on the sale or other disposition of debenture bonds of small business concerns.

3. Capital stock of SBCs. Show the aggre-

gate cost, aggregate net proceeds, and net gain or loss on the sale or other disposition of capital stock of small busi-

ness concerns.

- 4. Assets acquired in liquidation of loans and debentures. Show the aggregate cost, aggregate net proceeds, and net gain or loss on the sale or disposition of assets acquired in liquidation of loans and debentures of small business The aggregate cost shown concerns. for this item shall be the same as that recorded in the books of account on the basis determined by the Board of Directors from among (1) bid-in price of the property, (2) agreed consideration for the property, and (3) fair appraised value of the property, but not to exceed the total amount of the related loan or debenture indebtedness involved.
- 5. Other. Show the aggregate cost, aggregate net proceeds, and net gain or loss on the sale or disposition of any investments not included in items 1 through 4.

6. Net realized gain (loss) on investments. before taxes on income. Enter the net

total of items 1 through 5.

7. Provision for Federal and other income taxes. State the amount of Federal and other income tax accruals relating to net realized gain on investments for the fiscal year to date.

8. Net realized gain (loss) on investments. Enter the balance resulting from the deduction of item 7 from item 6.

PART II

SCHEDULE 1-SURPLUS RÉCONCILEMENTS

Describe in this schedule all activities in accounts for paid-in surplus, retained earnings, and appropriated retained earnings during the period covered by the report. In each reconcilement show opening balance, explanation of additions and deductions during period, and balance at close of period.

In Schedule 1b show separately the reconcilements of retained earnings from (1) net income, and (2) net realized gain on invest-

SCHEDULE 2-OPERATING EXPENSES

Include all operating expenses in this The amounts for entry in the "current period" column may be obtained, except in the case of the first report in the fiscal year, by subtracting the amounts in the "fiscal year to date" column of the schedule for the preceding period from the corresponding amounts in the "fiscal year to date" column of the schedule for the current period.

SCHEDULE 3-LOANS (SECTION 305)

Furnish in this schedule a summary of loan activities under section 305 of the Act for the period under review. List each loan by debtor, face amount, terms, opening balance, total additions during period, total deductions during period, and balance at close of period, showing the portion maturing within one year and the portion maturing after one year. The totals of columns (8) and (9) shall agree with items 7 and 13, respectively, of the Statement of Financial Condition. This schedule will comprise one or more of the following types of loans, grouped under brief headings designating the types, but without need for subtotals:

1. Direct loans.

2. Loans which the "initiating" investment company shares with another financing institution. Such loans in which others participate shall be shown in the gross amount on the books and reports of the "initiating" company.

3. Loans in which the "participating" investment company owns a participating interest in loans of an "initiating" company. Such participations in loans of others shall be shown in the amount of the net investment on the books and reports of the "par-

ticipating" company.

4. Loans sold with recourse. Such loans shall be stated in the amount of the unpaid balance of the loans as shown on the company's books after giving effect to payments made as reported to the company by the purchasers.

All transactions during the reporting period in connection with loans outstanding at any time during the period shall be included in the data summarized in the schedule even if there is no related opening or closing loan balance.

SCHEDULE 4-DEBENTURE BONDS OF SBC's (SECTION 304)

Furnish in this schedule a list of all such debenture bonds held, acquired, converted or sold during the period. The bonds shall be shown at cost, and the balance at the close of the period shall show a segregation between the amount maturing within one year and the amount maturing after one year. The totals of columns (7) and (8) shall agree with items 9 and 14, respectively, on the Statement of Financial Condition. The market value, or fair value as determined by the Board of Directors, shall be shown in

SCHEDULE 5-DELINQUENT LOANS AND DEBEN-TURES, AND ALLOWANCE FOR UNCOLLECTIBLES

Show in this schedule all past due installments on loans and debentures. Opposite the name of each small business concern shall be entered separately the unpaid balances of the delinquent loans and debentures, column (3), and the past due installments of principal and interest, columns (4) and (5). The allowance for uncollectible loans and debentures, when such allowance is based upon estimated realizable value of the individual loan or debenture, shall be shown in columns (6) through (10), opposite the name of each small business concern, showing opening balance, total additions, total deductions, and closing balance. Additions in column (7) shall represent charges to uncollectible loans and debentures expense. Those in column (8) shall represent recoveries on loans and debentures previously written off. If the reserve for uncollectibles is based upon a percentage of loans and debentures acquired, the beginning balance, additions, deductions, and closing balance shall be entered in columns (6) through (10) opposite side caption No. 3, "General Allowance for Uncollectible Loans and Debentures." In either event the final total of column (10) shall agree with the appropriate amount opposite item 14(c) in the Statement of Financial Condition.

Show separate totals for loans and debentures in column (3) at the bottom of the schedule.

SCHEDULE 6-CAPITAL STOCK OF SMALL BUSINESS CONCERNS

Show in this schedule pertinent data with respect to the capital stock of small business concerns acquired by the company. The stock shall be shown at cost. Allowance for estimated losses, if any, shall be indicated, as well as the market or fair value as determined by the Board of Directors.

PART III

SCHEDULE 7-CASH ON HAND AND IN BANKS

Show in this schedule all cash on hand and in banks. Demand deposits comprise balances which are subject to withdrawal without notice. Time deposits are those which are not transferable by check, but are convertible into demand deposits or currency subject to prior notice of conversion. Cash items in process of collection represent those items which have been placed with banks for collection. Petty cash shall represent the full amount of the petty cash imprest fund.

SCHEDULE 8—U.S. GOVERNMENT OBLIGATIONS, DIRECT AND FULLY GUARANTEED

List on this schedule all securities owned which have been issued or guaranteed by the U.S. Government, showing the name of the issuer and the title of each issue. Other required data, such as interest rate, call date, maturity date, and principal amount at par of bonds and notes, may be obtained by inspection of the securities or from records of securities pledged. The cost shown in column (6) of this schedule shall be in agreement with item 2 of the Statement of Financial Condition. The current market value of the securities shall be shown in column (7) of the schedule and shall agree with the amount shown parenthetically in item 2 of the Statement of Financial Condition.

Schedule 9-Loan Participations Purchased and Sold. (Section 305)

Show in this schedule the balances of individual loans participated in by others as of the reporting date. The schedule shall be prepared from the viewpoint of the reporting investment company, and the purchaser and seller of the participation as reported in column (3) shall in each case be other than the reporting company.

The total purchases (P) in columns (7) and (8) shall agree with items 7(a) and 13(a), respectively, of the Statement of Financial Condition. Total sales (S) in columns (7) and (8) will be included in items 7 and 13, respectively, of the Statement of Financial Condition.

SCHEDULE 10—DUE FROM DIRECTORS, OFFICERS, AND EMPLOYEES

Show in this schedule amounts due from directors, officers, and employees at any time within the reporting period. An explanation shall be furnished for any amount written off or for any collection other than in cash. Amounts outstanding shall be classified as current and noncurrent and shown in columns (6) (7), respectively.

SCHEDULE 11-SUNDRY ASSETS

Show and explain in this schedule, by appropriate classification, the amounts of any of the sundry assets which are significant in relation to the amount of total assets. Such assets may include: (1) notes receivable, (2) accounts receivable, (3) dividends receivable, (4) accrued interest receivable, (5) loan funds in escrow pending closing, (6) other current assets, representing current amounts due which are not accounted for under a specific class heading, (7) prepayments or deferred charges, (8) organization costs, and (9) other assets.

SCHEDULE 12—AMOUNTS DUE FROM DEBTORS ON SALE OF ASSETS AGQUIRED IN LIQUIDA-TION OF LOANS AND DEBENTURES, AND AL-LOWANCE FOR UNCOLLECTIBLES

Show on this schedule, by debtors, all accounts receivable, notes receivable, sales contracts, purchase money mortgages, etc., carried during the period in the account for

amounts due from debtors on sale of assets acquired in liquidation of loans and debentures. The balances at the beginning and close of the period shall be shown, together with additions and deductions during the period. Allowances for uncollectibles based upon an evaluation of individual debtors shall be recorded in column (9) opposite the name of the debtor. If a general allowance is utilized instead of individual allowances, it shall appear only at the bottom of column (9).

Items in this account which originate

Items in this account which originate from the sale of assets acquired in liquidation of participation loans shall be shown in the gross amounts, by debtors, and, on the line directly thereunder, the "participating" company's equity shall be enclosed in parentheses and deducted in arriving at the totals for columns (5), (6), (7), and (8). If, however, the company preparing this report is not the "initiating" company but is itself the "participating" company, only its equity in the sale of assets arising from liquidation of such participation shall be included in this schedule.

SCHEDULE 13—ASSETS ACQUIRED IN LIQUIDA-TION OF LOANS AND DEBENTURES, AND AL-LOWANCE FOR LOSSES

List in this schedule, by former debtors (small business concerns), all assets carried during the period in the account for assets acquired in liquidation of loans and debentures. The balance, by former debtor, at the beginning of the period, additions and deductions during the period, and balance at the close of the period shall be shown in columns (3), (4), and (6). Allowance for losses based upon an appraisal of the assets held shall be recorded in column (7). Current market value or fair value as determined by the Board of Directors at the close of the period shall be shown in column (8).

Assets acquired in liquidation of a participation loan shall be identified with the former debtor as named in column (1) and in the case of an "initiating" company preparing this report the gross amount shall be shown. In such case the "participating" company's equity shall be enclosed in parentheses on the line thereunder and shall be deducted in arriving at the totals for columns (3), (4), (5), and (6). If the reporting company is the "participating" company rather than the "initiating" company, only the reporting company's equity shall be included in this schedule.

Schedule 14—Obligations Payable to SBA

Furnish in this schedule a summary analysis for the period of the accounts for notes payable to SBA and for the subordinated debenture issued to SBA.

The terms of each note payable to SBA shall be recorded in columns (2) and (3); the unpaid balance at the beginning of the period and additions and deductions during the period shall be reflected in columns (4) (5), and (6); and the balance payable at the end of the period, segregated between amounts due within one year and amounts due after one year, shall be reflected in columns (7) and (8).

The subordinated debenture issued to SBA shall be entered on this schedule in a similar manner.

The total of column (7) shall agree with item 28 on the Statement of Financial Condition, and the total of column (8) shall equal the sum of items 44(a) and 49 on the Statement of Financial Condition.

SCHEDULE 15—OBLIGATIONS PAYABLE FOR FUNDS BORROWED FROM OTHER THAN SBA

Show in this schedule all obligations payable for funds borrowed from other than

SBA, including (1), all notes payable for funds borrowed from other than SBA; (2) debentures payable, unsubordinated; (3) debentures payable, subordinated, issued to other than SBA; and (4) mortgages payable for funds borrowed on corporate premises or other real estate. Such liabilities shall be grouped and described by class in column (2), but subtotals are not required. The terms of each obligation shall be set out in columns (3) and (4); the unpaid balance at the beginning of the period and additions and deductions during the period shall be shown in columns (5), (6), and (7); and the balance payable at the close of the period, segregated between amounts due within one year and amounts due after one year, shall be reflected in columns (8) and (9).

The total of column (8) should agree with

The total of column (8) should agree with item 29 on the Statement of Financial Condition, and the total of column (9) should equal the sum of items 44(b) and 45 on the Statement of Financial Condition.

SCHEDULE 16—CAPITAL STOCK

Furnish in this schedule a complete description of capital stock authorized and capital stock issued and outstanding, and data relating to special transactions involving capital stock.

In column (1) shall be described the type and class of each issue, such as common—no par, preferred (6 percent Series of 1959), etc. The par value and the stated value of nopar stock shall also be reported in column (1).

The number of shares authorized, whether issued or not, shall be reported in column (2)

The number of shares and amount of stock issued and not retired or cancelled shall be reported in columns (3) and (4). The total of column (4) shall agree with item 51 of the Statement of Financial Condition. The number of shares held as treasury stock shall be shown in column (5). Column (6) shall represent the difference between column (3) and column (5).

Column (7) shall be the amount at par or stated value representing the number of shares outstanding as shown in column (6). The total of column (8) shall agree with item 51(a) of the Statement of Financial Condition.

In column (9) shall be reported the amount of subscriptions receivable, which shall agree in total with item 51(b) of the Statement of Financial Condition.

Columns (10) and (11) shall show, respectively, the number of shares reserved for officers and employees, and the number of shares reserved for conversions, options, and other rights. The details covering the reservation of shares for the various purposes shall be given on the back of the schedule or on an attached sheet.

SCHEDULE 17—COMMITMENTS OUTSTANDING

Furnish in this schedule a summary showing separately, with subtotals (1) commitments to small business concerns for loans and debentures, and (2) commitments to financing institutions for deferred participations in loans or commitments to small business concerns.

Dated: January 8, 1960.

PHILIP McCallum, Administrator.

The following is the Financial Report, SBA Form 468, which form is herewith published for information and guidance in considering the proposed amendments of the regulations:

STATEMENT OF FINANCIAL CONDITION AS OF 19...... (City and State) STATEMENT OF FINANCIAL CONDITION AS OF, 19..... (License No.) (Name of licensee)

LIABILITIES, CAPITAL STOCK, AND SURPLUS.

ASSETS

speed decade	Current Liabilities	
 Cash on hand and in banks (Schedule 7) U.S. Government obligations, direct and fully guaranteed (Schedule 3) (Market value \$) Notes receivable 	28. Obligations payable to SBA, maturing within one year (Schedule 14). 29. Obligations payable to other than SBA, maturing within one year (Schedule 15). 30. Accounts payable.	
4. Accounts receivable. 5. Dividends receivable.	Accrued interest Accrued slattics Accrued slattics Accrued the states	
6. Accrued interest receivable. (a) Less: Allowance for uncollectibles.		
7. Loans (Section 305) maturing within one year (Schedule 3)	39. Unapplied receipts. 40. Advance interest payments. 41. Miscellaneous trust receipts.	
S I ann funde in account rounding alcoing	42. Utder	
s. Debenture bonds of SBCs (Section 304) maturing within one year (Schedule 4). (a) Less: Sold with recourse \$, less company's equity \$	_	
10. Due from directors, officers, and employees (Schedule 10).		
12. Total Current Assets.	46. Amounts due directors, officers, and employees 47. Unamortized premium on debentures payable 48. Other	
13. Loans (Section 305) maturing after one year (Schedule 3).	e, subordinated, issued to SBA (Section 302) (Schedule 14) (See statement	
any's equity	Liabilities.	
Not Not		
14. Debenture bonds of SBCs (Section 304) maturing after one year (Schedule 4)	51. Capital stock (Schedule 10) (a) Capital stock subscribed (b) Less: Subscriptions receivable.	
(a) Less: Sold with recourse \$, less company's equity \$	•	
(b) Net loans and debenture bonds of SBCs.		
15. Capital stock of small business concerns (Schedule 6)	(b) Retained earnings (Schedule 1)	
16. Amounts due from debtors on sale of assets acquired in liquidation of loans and debentures (Schedule 12).	33. Total 54. Less: shares of treasury stock, at cost.	
(a) Less: Participation by others. (b) Less: Allowance for uncollectibles.		
edule 13)	55. Total Statement of Statetory Capital and Surplus	
	The subordinated debenture issued to the Small Business Administration under Section 302(a) of the Smal ness Investment Act of 1985 shall be deemed a part of the capital and surplus of the company for purposes of Sciences.	all Busi Sections
Other Assets	302(a), 303(b) and 306 of the Act, as follows: 1. Debenture, subordinated, issued to SBA(a)	
20. Corporate premises owned—building. (a) Less: Accumulated depreciation.	2. Capital stock and surplus	
21. Furniture and equipment. (a) Less: Accumulated depreciation.	nall Business Administration has made a commitment to advance an additional \$	under its
22. Due from directors, officers, and employees (Schedule 10).	WERIFICATION TERMINATION	
24. Organization costs. 25. Organization costs. 25. Other (Schedula 11)	Part I of the Financial Report for the months ended, 19 submitted by the to distribute the Small Business Administration, and consisting	nsisting
26. Total Other Assets	of statement of financial condition, statement of statutory capital and surplus, statement of income and expense and statement of realized gain or loss on investments, on SBA Form 468, is hereby certified to be correct to the best of my knowledge and belief.	expense the bes
	(Chief Financial Officer)	
	Title	

SBA Form 468 (10-59)	•	Page 3 Part I	SBA Form 468 (10-59)		Page 4 Part II
(Name of licensee)	-		(Name of licensee)		
STATEMENT OF INCOME AND EXPENSE FOR THE MONTHS ENDED	G	-, 19	19		
Item	Current	Fiscal year to date	Surplus reconcilements	, `	Schedule 1
(0)	(2)	(9)	Item	Current period	Fiscal year to date
I. Commitment income		•	(3)		
			PAID-IN SURPLUS		Schedule 1a
Interest on Interest on loans and Interest in	ation of		Paid-in surplus at beginning of period Additions during period (describe): (a)		
7. Compensation income—participations sold. 8. Advisory and consulting service fees. 9. Apprissia and investigation fees.			(b) 3. Total		
10. Miscellaneous fees. 11. Dividends on capital stock of SBCs. 12. Sharings in income of SBCs.			4. Deductions during period (describe): (a)		
			(b)		
15. Total			Paid-i		
16, Commitment expense.			RETAINED EARNINGS		Schedule 1b
14. Interest on notes and other obligations payable to SEA. 18. Interest on obligations payable to other than SBA. 19. Compensation expense—participations purchased					
20. Debenture and fiscal agent expense 21. Expense on assets acquired in liquidation of loans and debentures. 22. Ornerstine expenses (Schedule 2)			Retained earnings from net income at beginning of period		
23. Amortization of discount (premium) on debentures payable. 24. Loss (gain) on other assets			(0)		
25. Total			4, Total		
26. Net income before taxes on income	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1			
			(a) (b) (c) (c) (d) (d) (d) (d) (d) (d) (d) (d) (d) (d		
27. Federal \$ Other \$					
28. Net income exclusive of net realized gain or loss on investments		<u></u>	7. Retained carnings from net income at close of period. 8. Retained carnings from net realized gain on investments at beginning of period	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
STATEMENT OF REALIZED GAIN OR LOSS ON INV	ON INVESTMENTS		9. Additions during period (describe): (a) From net realized gain on investments. (b)	1	
Item . Agg	Aggregate Aggregate	Net gain	(b)		
8		(4)	Dedu (a)		
			(a)		
2. Debenture bonds of SBCs. 3. Capital stock of SBCs.			12. Total deductions		
Assets acquired in liquidation of loans and debentures.			13. Retained earnings from net realized gain on investments at close of period		
6. Net realized gain (loss) on investments, before taxes on income.			14. Total retained earnings at close of period		
Federal \$ Other \$					Schedule 1c
			2. Additions during period (describe): (a)	.1	
			3. Total. 4. Deductions during period (describe):		1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
			5. Appropriated retained earnings at close of period.		
				-	563

Operating expenses		Schedule 2		ľ	Loans (Section 305)	on 305)				Schedule 3	ule 3
Item	Current	Fiscal year to date			Ter	Terms				Balance receivable at close of period (b)	eceivable period (b)
(1)	8	69	Name and address of	Face	Interest	Maturity	Balance receivable at begin-	-	Deduc- tions during	Maturity	irity
			(Debtor) (a)	of loan	rate per annum	amortiza- tion plan, etc.	ning of period	period	period	Within 1 year	After 1 year
		<u></u>	(1)	(3)	69	(4)	(5)	(9)	6	8	6
l—building. ts											
osts.									,		
Miscellaneous services and supplies. Miscellaneous services and supplies. Salaries of officers. Salaries of officers. Taxes, excluding Pederal and State income taxes.											
Taylor Introductible notes and accounts Uncollectible notes and accounts Thorollectible interest receivables Thorollectible house and Albentunes			Total		xxx	xxx					
ired in liquidation of			(a) Show type of business in which borrower is engaged. If loans are made to more than one borrower in the same line of business, group such loans under appropriate caption. (b) Identify each item "pledged" or "earmarked" by letter (P) or letter (E), as appropriate.	ss in which such loan	borrower s under app "earmarke	is engaged. ropriate cap d', by letter	If loans at tion. (P) or lette	re made to er (E), as a	more that	опе ропо	wer in th
			SBA Form 468 (10-59)	•							Page 7 Part II
Total			(Name of licensee) Report for the Months Ended	тне	D MONT	(Name of licensee) (THS ENDED	ame of liceusce)		, 1	, 19	
Verification				Deben	ture Bonds	Debenture Bonds of SBCs (Section 304)	ction 304)	_			Schedule 4

(Chief Financial Officer) Title (Date)

Market, or fair value as determined by the board of directors. 9 After one year Balance at cost close of period (b) 8 Maturity Within one year 3 Deduc-tions during period 9 Addi-tions during period 3 Balance at cost begin-ning of period € Maturity, amortiza-tion plan, par value, etc. . ⊛ XXX Terms Interest rate $\mathbf{x}\mathbf{x}\mathbf{x}$ 9 Total Name and address of small business concern (issuer) (a) Ξ

(a) Show type of business in which small business concern is engaged. If debenture bonds are acquired from more than one small business concern in the same line of business, group such debenture bonds under appropriate caption.
(b) Identify each item "pledged" or "earmarked" by letter (P) or letter (E), as appropriate.

2. 学

Fri	day, J	anu	ary	22	, 1	1960							ı	FEC	E	RA	L RE	GIS	TER	2							
Page 10 Part III		Schedule 7	Amount													nitted by the	and expense, 68, are hereby		er)		ee)	and approved 9, covered		,			
			Location of depository							XXX			xxx			ininistration,	nent of income 1 SBA Form 4		(Chief Financial Officer)		(Licensee)	d 1	(Secretary)				
SBA Form 468 (10-69)	(Name of licensee)	Cash on hand and in banks	Name of depository	(1)		1. General funds—demand balances with: (a) (b)		2. Time deposits—balances with: (a).		3. Cash items in process of collection. 4. Petty cash. 5.	6,	89	9. Total cash	,	Verificati	Farts 1, 11, and 111 of the Financial Report for the months ended, 19, submitted by the	(Licensee) of statement of financial condition, statement of statutory capital and surplus, statement of income and expense, statement of realized gain or loss on investments, and Schedules 1 to 17, inclusive, on SBA Form 468, are hereby	certified to be correct to the best of my knowledge and belief.	(Date) / (Chief	Verification	t hereby access that the infinites of the meeting of the Board of Directors of the	Parts I, II, and III of the Financial Report of such company for the months ended, 19, covered by the above verification of the chief financial office.	(Date)				
Page 8		Schedule	le loans and debentures			of period	. (10)		110.0		·	•	.						Page 9	Pari II			Schedule 6 •	Market, or fair value as determined by the board of directors	(11)	·	
			pans and			Deduc-	6 s															19		Allow- ance for losses at close of period	(10)		
		səlc	- Ilectible 1		Additions	Charged to other										٠.					·			Balance at cost close of period (b)	6		•
	,	uncollectil	Allowance for uncollectible		Add	Charged to	expense (7)											•						Deduc- tions during period	8		
	nsee) , 19	ances for	Allowan		Balance	at be- ginning of period	. 9														(ee		oncerns	Addi- tions during period	6		
	(Name of licensee)	Delinquent loans and debentures, and allowances for uncollectibles	ate due	on loans ntures		Interest					!-		Ì				xxx				(Name of licensee)	ENDED	Capital stock of small business concerns	Balance at cost begin- ning of	9		
	(Nar	sbentures,	Inctellme	and unpaid on loans and debentures		Principal			<u> </u>					1	1		xxx				(Nan	MONTHS ENDED	of small	Num- ber of shares	(2)		
		ans and de	- letol	npaid a	of de-	loans and de- bentures P		+			_				1		xxx						pital stock	Par or stated value per share	. €		
		nquent lo			(L), de-		<u> </u>	 					<u> </u> -	3 6	1		-XXX	xxx				OR THE	CS	Type and class	® —		
92		Deli	-					<u> </u> 				.,	1			ow- m-		<u> </u>	9		l·	KEPORT FOR		Date of acquisition	<u>ତି</u>	<u>.</u>	
, SBA Form 46S (10-59)					Name of small business concern	(debtor)							1000	L. L'OKBI	z. 1.0tal	3. General allow- ance for un-	collectible loans and debentures	4. Total	CB A Form 46	(10-59)	'			Name and address of small bust- ness concern (issuer) (a)	(1)		

(a) Show type of business in which small business concern's engaged. If capital stock is acquired from more than one small business concern in the same line of business, group such capital stock under appropriate capiton.
(b) Identify each item "pledged" or "earmarked" by letter (P) or letter (E), as appropriate.

XXX

xxx

xxx

Total XXX

566							. PK	OPO	SED	KULE	MAI	(ING					~					•
Page 13 Part III	!	Schedule 10	Balance receivable at close of period	Noncurrent	6	-				Page 14 Part III		Schedule 11	Amount (2)									
•	19	Schec	Balance rece of p	Current	9														•			-
•			Deductions during period	Collections	(9)		·		_													
	(Name of licensee) THS ENDED	ployees	Deductions	Amounts	off (a)				shedule.		(Name of licensea)		sma	-			•					
	(Name of licer MONTHS ENDED	fficers, and en	1 .	during	69				on attached so		(Мате)	Sundry assets	Description of items	: .				·				
	HE	Due from directors, officers, and employees	Balance	at beginning of period	6				in footnote or				Ä									
SBA Form 468 (10-59)	REPORT FOR THE	Due fr		Name and title	(D)			Total	(a) Give complete details in footnote or on attached schedule.	SBA Form 468 (10–59)												
Page 11 Part III		Schedule 8	Value based on current	market quotations at balance sheet date	(2)	-	•		Page 12 Part III		Schedule 9	Balance of loan participation at close of period	Maturity	1	(6)							-
				cost carried in balance sheet	(9)						Sche	Balance o ipation		n, Within 1 year	3			· · · · · ·				
•.		anteed	Principal	amount, at par of bonds and notes	(5)			xxx			05)	Terms		tion tion			···		ar.		xxx x	
	licensee)	and fully guar		Maturity date	(4)			XXX	,	of licensee) 19	sold (section 3	ichat-	ing interest in loan commitment Inter		(c) (E)	·	**			XXX	xxx	
	(Name of licensee)	U.S. Government obligations, direct and fully guaranteed	Details of issue	Call date	(6)			xxx		(Name of licensee)	Loan participations purchased and sold (section 305)	ame of Part	purchaser ing in or seller of in participa- con tion m		2		· · · · · · · · · · · · · · · · · · ·			xxx	xxx	 - -
		overnment obl		Interest rate	(3)			xxx			participations		$\begin{pmatrix} Furchaser & pu \\ (P), & or \\ Seller (S) & pe \end{pmatrix}$		<u> </u>		·				s	
SBA Form 468 (10–59)		U.S. G		Name of issuer and title of issue	(1)	• .		Total	SBA Form 468 (10–59)	7 0 4 8 9 9 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	Loan		Name of small business concern (debtor)		(E)					1. Total	2. Total	

Record for this and discussed contained filterance of many of the contained for the contained filterance of many of the contained filterance of the contained filterance of the contained filterance of the contained filterance of the contained fi	SBA Form 468 (10-59)						•		Part III	(10-59)							*# <u>.</u>	rage 17 Part III
Parents for the first many of green earlier for the first many o		1 0 0 1 1 1 1 1 1 1 1 1	D	Name of licer	see)							7	Vame of licer	ısee)	; ; ; ; ; ; ; ;			
Pacific Paci	REPORT E		MONT.	HS ENDED			, 19			REPORT B		MONT	HS ENDED			19		
The company	nounts due from del	btors on sale	of assets acq allowance fo	uired in liqu or uncollectib	idation of los les	ins and de	bentures,	Sched	ule 12		Obligat	tions payabl	e to SBA	-	-		Schedule 14	4
Column C			Ter	'ms			_		Allow-		É.	erms	Balance				Balance payable close of period	od at
CO	ne and address of debtor	Descrip- tion of re- ceivables						Salance of close	uncollect- ibles at close of	Description of obligations	Interest						Maturity	
Color Colo									period (a))	rate					Within 1 year		After 1 year
Sign of this schedule grave complete details of uny charges to this schedule grave to grave and allowance for location of tours and electrons. Page 16 Page 16 Page 18		69	(6)	(4)	(5)	e	E	<u>@</u>	©	. (1)	(3)	<u>®</u>	€	(5)	©	. E		· 6
Side of this schedule gree complete details of any charges to this account during the period regime of licenses) (Name of lic							```	•	c								·	,
Side of this schedule give complete details of any charges to this account during the period representation of foams and determined of farmounts due from debtors on sale of assets acquired in liquidation of foams and determined in liquidation of foams and debtors on sale of assets acquired in liquidation of foams and debtors on sale of assets acquired in liquidation of foams and debtors on sale of assets acquired in liquidation of foams and debtors on sale of assets acquired in liquidation of foams and debtors on sale of assets acquired in liquidation of foams and debtors on sale of assets acquired in liquidation of foams and debtors and allowance for losses (schedule in deptors) Page 16				,								,						•
side of this schedule give complete details of tary charges to this secount during the period representation of loans and debentures. Concern Description Description beginning during during concern (2) (3) (4) (4) (6) (6) (7) (8) (7) (8) (9) (9) (9) (9) (9) (9) (9) (9) (9) (9	Total	xxx	xxx	xxx						Total		XXX				\perp	-	
Common of the control of the control of parts Common of the control of parts Common of the control of parts Common of parts Comm	On reverse side of any the write-off of an Form 468	this schedule mounts due fi	give comple om debtors (ete details of on sale of asse	any charges ts acquired i	to this acc n liquidati	ount durin on of loans	g the peri and debe	od repre- ntures.	SBA Form 468 (10-59)	-	_	-	-		, -:	-	Page 18 Part III
The modern and debentures, and allowance for losses Care du liquidation of loans and debentures, and allowance for losses Care du liquidation of loans and debentures, and allowance for losses Care du liquidation of loans and debentures, and allowance for losses Care du liquidation of loans and debentures, and allowance for losses Care du liquidation of loans and debentures, and allowance for losses Care du liquidation of loans and debentures, and allowance for losses Care du liquidation of loans and debentures, and allowance for losses Care du liquidation of loans and debentures, and allowance for losses Care du liquidation of loans and debentures, and allowance for losses Care du liquidation of loans and debentures, and allowance for losses Care du liquidation of loans and debentures, and allowance for losses Care du liquidation of loans and debentures, and allowance for losses Care du liquidation of loans and debentures, and allowance for loans and address Care du liquidation of loans and debentures, and allowance for loans and address Care du liquidation of loans and debentures, and allowance for loans and address Care du liquidation of loans and debentures and address Care du liquidation of loans and debentures and address Care du liquidation of loans and debentures and address Care du liquidation of loans and debentures and address Care du liquidation of loans and debentures and address Care du liquidation of loans and debentures and address Care du liquidation of loans and debentures and address Care du liquidation of loans and debentures and address Care du liquidation of loans and debentures and address Care du liquidation of loans and debentures and address Care du liquidation of loans and debentures and address Care du liquidation of loans and debentures and address Care du liquidation of loans and address C	(RO-		Ð	Name of licen	see)					or manded		a)	Vame of licen	isee)		ç		
ed in liquidation of loans and debantures, and allowance for losses Each club 13 Each club 14 Each club 15 Eac	REPORT FO		1	IS ENDED.			, 19	į		A TRUCKI	OK THE	TROM	ds Enden			- F		
Description beginning during close of differences at the control of period period period period (a) (b) (c) (c) (c) (c) (c) (c) (c) (c) (c) (c	Assets acqui	red in liquids	tion of loans	and debentı	rres, and allo	wance for	losses	Sel	hedule 13	Obligat	tions payable t	for funds bo	rrowed from	other than S	ВА		Schedule 15	12
Description beginning during of period period period period period period directors (2) (3) (4) (5) (6) (7) (8) (1) (2) (3) (4) (6) (6) (7) (8) (1) (1) (2) (1) (2) (3) (4) (6) (6) (7) (7) (7) (8) (1) (1) (1) (1) (1) (1) (1) (1) (1) (1	ame and address of		Balance		Deduction	Balance		M: M: Bance fair	arket, or			Ter		Balance			Balance payable close of period	able at riod
(1) (2) (3) (4) · (5) (6) (7) (8) (1) (2) (3) (4) (6) (7) (7) (8) (1) (1) (2) (3) (4) (6) (7) (7) (8) (1) (1) (1) (1) (1) (1) (1) (1) (1) (1	(former debtor)		y of period		during	close o		sses de se of 1 (a) p	termined by the pard of		Description of obliga-		1	payable A at begin-	lditions t luring di	ions uring eriod	Maturity	Α,
	(1)	(2)	(3)	(4)		(9)	7)	q	irectors (8)					period			- H H	After 1 year
						. .	·			3	(S)	9	(F)	e	<u> </u>	S	<u> </u>	⊕ │
						,									•			
	1		*****			·		•	į			•		····				
	Total	xxx																

Type and class; par or stated value Value	(10-59)								1			Part III
Type and class; par or stated value Total Capital stock Schedul	•									•		
Type and class; par or stated value Number of shares Number of shares Number of shares Standard cancelled Number of shares Standard stated Standard stated Standard stated Standard stated Standard stated Standard stated Standard Standard stated Standard stated Standard stated Standard Standard stated Standard Sta				•		, 19.						
Type and class; par or stated value Number Second State Second State Second State Second State Second Seco	<u> </u>	-		Capi	tal stock						Sche	dule 16
Value Ized by charter Number Amount Held by or for stand-account of issuer (1) (2) (3) (4) (5) (6) (7) (8) (9) (10) Total Peld by or for stand-account of issuer of issuer of issuer (6) (7) (8) (9) (10) Total Peld by or for stand-account of issuer or stand-account of issuer or stand-account of issuer of issuer or stand-account of issuer of issuer or stand-account of issuer or stand-account of issuer or issuer or stand-account or issuer	Type and class;	of shares	not ret	ired or	Number	of shares	out-	· sub·	of sub-	of s	hares rved	of shares
Total SBA Form 468 (10-59) (Name of licensee) (Name of licensee) Total Property of the pr	value	ized by	Number	Amount	or for account	stand-	ing at par or stated	at par or stated	tions receiv-	offi and	cers em-	versions and other rights
Total SBA Form 468 (10-59) (Name of licensee) (Name of licensee) Schedu Name of small business concern or financing institution Expiration date of Amore	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(1	.0)	(11)
Commitments outstanding Schedu Name of small business concern or financing institution date of Amore	SBA Form 468				(Name of	licensee)						Page 2 Part II
Name of small business concern or financing institution Expiration date of Amore				****		, 19.						
Name of small business concern or financing institution date of Amor			Co	mmitme	nts outsta	nding					Sch	edule 17
·	Na	me of sma	li busines	s concern	or financi	ng institu	tion		date o	ıf	Α	mount
(1) (2) (3)	•			(1)					(2)			(3)

[F.R. Doc. 60-480; Filed, Jan. 21, 1960; 8:45 a.m.]

NOTICES

FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 13352]

JACK T. BAILLIE CO.
Order To Show Cause

In the matter of Jack T. Baillie Company, P.O. Box 268, Salinas, California, Doeket No. 13352; order to show cause why there should not be revoked the license for special industrial radio station KMG504.

There being under consideration the matter of certain alleged violations of the Commission's rules in connection

with the operation of the above-captioned station;

It appearing that, pursuant to § 1.61 of the Commission's rules, written notice of violation of the Commission's rules was served upon the above-named licensee as follows:

Official Notice of Violation was mailed to the licensee on September 28, 1959, alleging that at time of an inspection conducted on September 11, 1959, the base station of the subject radio station was observed to be operated by an unlicensed person in violation of § 11.154(e) (1) of the Commission's rules

It further appearing that, the abovenamed licensee received said Official notice but did not make satisfactory reply thereto, whereupon the Commission, by letter dated October 28, 1959, and sent by Certified Mail, Return Receipt Requested (No. 370280), brought this matter to the attention of the licensee and requested that such licensee respond to the Commission's letter within fifteen days from the date of its receipt stating the measures which had been taken, or were being taken, in order to bring the operation of the radio station into compliance with the Commission's rules, and warning the licensee that his failure to respond to such letter might result in the institution of proceedings for the revocation of the radio station license;

It further appearing that receipt of the Commission's letter was acknowledged by the signature of the licensee's agent, L. Vost, on or about October 29, 1959, to a Post Office Department return receipt; and

It further appearing that, although more than fifteen days have elapsed since the licensee's receipt of the Commission's letter, no response was made thereto; and

It further appearing that, in view of the foregoing, the licensee has willfully violated Section 1.61 of the Commission's rules:

It is ordered, This 15th day of January 1960, pursuant to section 312 (a) (4) and (c) of the Communications Act of 1934, as amended, and section 0.291(b) (8) of the Commission's Statement of Delegations of Authority, that the said licensee show cause why the license for the above-captioned Radio Station should not be revoked and appear and give evidence in respect thereto at a hearing to be held at a time and place to be specified by subsequent order; and

¹ Section 1.62 of the Commission's rules provides that a licensee, in order to avail himself of the opportunity to be heard, shall, in person or by his attorney, file with the Commission, within thirty days of the receipt of the order to show cause, a written statement stating that he will appear at the hearing and present evidence on the matter specified in the order. In the event it would not be possible for respondent to appear for hearing in the proceeding if scheduled to be held in Washington, D.C., he should advise the Commission of the reasons for such inability within five days of the receipt of this order. If the licensee fails to file an appearance within the time specified, the right to a hearing shall be deemed to have been waived. Where a hearing is waived, a written statement in mitigation or justification may be submitted within thirty days of the receipt of the order to show cause. If such statement contains, with particularity, factual allegations denying or justifying the facts upon which the show cause order is based, the Hearing Examiner may call upon the submitting party to furnish additional in-formation, and shall request all opposing parties to file an answer to the written statement and/or additional information. record will then be closed and an initial decision issued on the basis of such procedure. Where a hearing is waived and no written statement has been filed within the thirty days of the receipt of the order to show cause, the allegations of fact contained in the order to show cause will be deemed as correct and the sanctions specified in the order to show cause will be invoked.

It is further ordered, That the Secretary send a copy of this order by Certified Mail, Return Receipt Requested to the said licensee.

Released: January 18, 1960.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] MARY JANE MORRIS,

Secretary.

[F.R. Doc. 60-657; Filed, Jan. 21, 1960; 8:49 a.m.]

[Docket Nos. 13356-13359; FCC 60M-117]

HARTSVILLE BROADCASTING CO. (WHSC) ET AL.

Order Scheduling Hearing

In re applications of Hartsville Broad-casting Company (WHSC), Hartsville, South Carolina, Docket No. 13356, File No. BP-12169; WMFJ, Inc. (WMFJ), Daytona Beach, Florida, Docket No. 13357, File No. BP-12623; Carter C. Peterson, tr/as Dixie Broadcasting Company (WCCP), Savannah, Georgia, Docket No. 13358, File No. BP-13140; Low Country Broadcasting Company (WQSN), Charleston, South Carolina, Docket No. 13359, File No. BP-13254; for construction permits.

It is ordered, This 15th day of January 1960, that Walther W. Guenther will preside at the hearing in the above-entitled proceeding which is hereby scheduled to commence on March 23, 1960, in Washington, D.C.

Released: January 18, 1960.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] MARY JA

MARY JANE MORRIS, Secretary.

[F.R. Doc. 60-658; Filed, Jan. 21, 1960; - 8:59 a.m.]

[Docket No. 12969 etc.; FCC 60M-118]

IRVENNA BROADCASTING CO. ET AL.

Order Scheduling Hearing

In re applications of South C. Bevins, tr/as Irvenna Broadcasting Company, Irvine, Kentucky, Docket No. 12969, File No. BP-12523; John K. Rogers, Bristol, Tennessee, Docket No. 12976, File No. BP-12915; Kingsport Broadcasting Company, Inc. (WKPT), Kingsport, Tennessee, Docket No. 12980, File No. BP-13070; for construction permits.

Pursuant to agreements reached by counsel for all participants at the prehearing conference held on January 15, 1960, and as fully explained on the record thus made,

It is ordered, This 18th day of January 1960, that the following dates for procedural steps upon the applications in Docket 12976 (Bristol) and Docket 12980 (WKPT) shall govern:

Exchange of engineering exhibits: February 8, 1960.

Exchange of exhibits on non-engineering issues: February 15, 1960.

Requests for additional information and notification of witnesses desired for cross-examination: February 23, 1960.

Commencement of hearing upon all applicable issues: March 1, 1960.

Released: January 18, 1960.

FEDERAL COMMUNICATIONS COMMISSION, MARY JANE MORRIS,

[SEAL] MAR

Secretary.

[F.R. Doc. 60-659; Filed, Jan. 21, 1960; 8:50 a.m.[

[Docket No. 13180; FCC 60M-115]

RODNEY F. JOHNSON (KWJJ) Order Continuing Hearing

In re application of Rodney F. Johnson (WWJJ), Portland, Oregon, Docket No. 13180, File No. BP-12056; for construction permit.

The Hearing Examiner having under consideration "Applicant's Petition for Continuance of Hearing" from January 22, 1960, to February 25, 1960, and

It appearing that the petition also requests a continuance for the date of exchanging exhibits in this matter from January 15, 1960, to February 18, 1960, and

It further appearing that for good cause the applicant states "applicant has negotiated with representatives of Station KSCO, party to this proceeding, an agreement which will eliminate KSCO's objection to the Construction Permit here pending," and that said agreement has been executed but that the Commission's Broadcast Bureau has requested applicant to describe and explain by way of an affidavit from its consulting engineer certain contemplated modifications which will take about four weeks, and

It further appearing that all parties to the proceeding have consented to the granting of the instant petition and that the consequent narrowing of the issues and simplification of the hearing will insure expeditious disposition of this proceeding,

It is ordered, This 15th day of January 1960, that the aforesaid petition is granted, and that the date for the exchange of exhibits is changed from January 15, 1960, to February 18, 1960, and that the date for hearing is changed from January 22, 1960, to February 25, 1960, at 10:00 a.m. in the Commission's offices in Washington, D.C.

Released: January 18, 1960.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] MARY JANE MORRIS,

Secretary.

[F.R. Doc. 60-660; Filed, Jan. 21, 1960; 8:50 a.m.]

[Docket No. 13355; FCC 60M-121]

JOHN A. AND EDWIN R. SAARINEN Order Scheduling Hearing

In the matter of John A. and Edwin R. Saarinen, 5104 Harbor Drive, San

Diego 6, California, Docket No. 13355; order to show cause why there should not be revoked the license for radio station WA 5478 aboard the vessel "Hermes II".

It is ordered, This 15th day of January 1960, that Isadore A. Honig will preside at the hearing in the above-entitled proceeding which is hereby scheduled to commence on March 30, 1960, at 2:00 p.m., in Washington, D.C.

Released: January 18, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,

Secretary.

[SEAL] MARY JANE MORRIS,

[F.R. Doc. 60-661; Filed, Jan. 21, 1960; 8:50 a.m.]

[Docket No. 13254; FCC 60M-125]

SANTA ROSA BROADCASTING CO. Order Continuing Hearing

In re application of Santa Rosa Broadcasting Company, Santa Rosa, California, Docket No. 13254, File No. BP-11573; for construction permit.

On the oral request of counsel for applicant, and without objection by counsel for the Broadcast Bureau: It is ordered, This 18th day of January 1960, that the hearing scheduled for today is continued to Thursday, January 28, 1960, at 10 a.m., in the offices of the Commission, Washington, D.C.

Released: January 19, 1960.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] MARY JANE MORRIS,

Secretary.

[F.R. Doc. 60-662; Filed, Jan. 21, 1960; 8:50 a.m.]

[Docket No. 13345; FCC 60M-112]

SERVICE BROADCASTING CO.

Order Scheduling Prehearing Conference

In re application of Service Broadcasting Company, Concord, California, Docket No. 13345, File No. BP-12184; for construction permit.

The Hearing Examiner having under consideration the above-entitled proceeding:

It is ordered, This 15th day of January 1960, that all parties, or their attorneys, who desire to participate in the proceeding, are directed to appear for a prehearing conference, pursuant to the provisions of § 1.111 of the Commission's rules, at the Commission's offices in Washington, D.C., at 2:00 p.m., January 27, 1960.

Released: January 18, 1960.

Federal Communications Commission,

[SEAL] MARY JANE MORRIS, Secretary.

[F.R. Doc. 60-663; Filed, Jan. 21, 1960; 8:50 a.m.]

[Docket No. 13353; FCC 60M-120]

JOHN VELLA

Order Scheduling Hearing

In the matter of John Vella, 2042 Stockton Street, San Francisco, Cali-fornia, Docket No. 13353; order to show cause why there should not be revoked the license for radio station WD-6772 aboard the vessel "Kathrine M."

It is ordered, This 15th day of January 1960, that Isadore A. Honig will preside at the hearing in the above-entitled proceeding which is hereby scheduled to commence on March 30, 1960, at 10:00 a.m., in Washington, D.C.

Released: January 18, 1960.

FEDERAL COMMUNICATIONS COMMISSION;

[SEAL]

MARY JANE MORRIS. Secretary.

[F.R. Doc. 60-664; Filed, Jan. 21, 1960; 8:50 a.m.1

[Docket No. 13286; FCC 60M-126]

GEORGE WILSON

Order Continuing Hearing

In the matter of George Wilson, 1419 E. Lomita Street, Orange, California, Docket No. 13286; order to show cause why there should not be revoked the license for citizens radio station 11W1333.

The Hearing Examiner having under consideration a motion by the Commission's Safety and Special Radio Services Bureau, filed January 14, 1960, that hearing in the above-entitled proceeding, which is presently scheduled to com-mence January 26, 1960, be continued indefinitely;

It appearing that it is necessary for the Bureau to undertake a further investigation of the charges made against respondent in the instant show cause order. and that the results of such investigation may obviate the necessity for formal hearing in the matter;

It is ordered, This 18th day of January 1960, that the motion is granted and that hearing in the above-entitled proceeding is continued indefinitely.

Released: January 19, 1960.

FEDERAL COMMUNICATIONS

[SEAL]

COMMISSION, MARY JANE MORRIS,

Secretary.

[F.R. Doc. 60-665; Filed, Jan. 21, 1960; 8:50 a.m.]

CIVIL AERONAUTICS BOARD

[Docket 10038]

BONANZA AIR LINES, INC.

Notice of Hearing

In the matter of the renewal of temporary intermediate points presently served by Bonanza Air Lines, Inc.

Notice is hereby given pursuant to the Federal Aviation Act of 1958, that the hearing in the above-entitled proceeding will be held February 9, 1960, at 10:00 a.m., P.s.t., in the Clark County Convention Center, Las Vegas, Nevada, before Examiner Herbert K. Bryan,

Dated at Washington, D.C., January 18, 1960,

[SEAL]

FRANCIS W. BROWN. Chief Examiner.

[F.R. Doc. 60-672; Filed, Jan. 21, 1960; 8:51 a.m.]

FEDERAL POWER COMMISSION

NOTICE OF DELEGATION OF FINAL **AUTHORITY**

JANUARY 18, 1960.

Pursuant to the provisions of section 3 of the Administrative Procedure Act. notice is hereby given that the Commission has delegated final authority to the Secretary, and in his absence the Acting Secretary, the functions described below:

(1) When appropriate, to pass upon applications, petitions and requests submitted under General Instruction No. 11 of the Uniform System of Accounts prescribed for natural gas companies for approval to group certain gathering systems, or certain transmission mains, or certain compressor stations for the purpose of complying with the portion of General Instruction No. 11 requiring a segregation of the cost of operating and maintaining each plant.

(2) To accept amendments to agreements and contracts filed in compliance with Commission's orders accepting offers of rate settlements if such filings are in satisfactory compliance with such

orders.

JOSEPH H. GUTRIDE, Secretary.

[F.R. Doc. 60-650; Filed, Jan. 21, 1960; 8:48 a.m.]

[Docket No. G-20330]

LAKE SHORE PIPE LINE CO. AND UNITED NATURAL GAS CO.

Notice of Application and Date of Hearing

JANUARY 18, 1960.

Take notice that Lake Shore Pipe Line Company (Lake Shore), an Ohio corporation with its principal office in Ashtabula, Ohio, and United Natural Gas Company (United), a Pennsylvania corporation with a principal office in Oil City, Pennsylvania, filed a joint application in Docket No. G-20330 on December 8, 1959, pursuant to section 7 of the Natural Gas Act, for a certificate of public convenience and necessity authorizing Lake Shore and United to exchange natural gas on an emergency basis, and to construct and operate natural gas facilities required to accomplish such exchange, subject to the jurisdiction of the

Commission, and as more fully described in the joint application on file with the Commission and open to public inspection. The facilities are described as follows:

1. United to construct and operate a meter station and appurtenant facilities at the intersection of its 6-inch pipeline and Lake Shore's 10-inch Ashtabula-Cochranton pipeline near Linesville, Crawford County, Pennsylvania.

2. Lake Shore to construct and operate. at the same point of intersection, a tie-in to United's proposed meter station and a tap on its (Lake Shore's) 10-inch pipeline.

The application recites:

According to the terms of the exchange agreement between the two companies, dated November 20, 1959, natural gas will be exchanged only in the event of an emergency provided that the delivering company can do so without curtailment of deliveries to its own customers. The company receiving the emergency gas must return equal volumes of gas within 30 days or such other period as is mutually agreeable. No money would change hands. The initial term of the agreement is one year and then from year to year.

The facilities proposed by United will cost approximately \$3,520 and Lake Shore's tie-in facilities will cost \$1,300. Each company will finance the projects

from funds on hand.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held March 1. 1960, at 9:30 a.m., e.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concerning the matters involved in and the issues presented by such application: Provided, however, That the Commission may, after a non-contested hearing, dispose of the proceedings, pursuant to the provisions of § 1.30(c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before February 23, 1960. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

> JOSEPH H. GUTRIDE, Secretary.

[F.R. Doc. 60-669; Filed, Jan. 21, 1960; 8:51 a.m.l

(Docket No. G-205291

PAULEY PETROLEUM, INC., ET AL.

Order Providing for Hearing on and Suspension of Proposed Increased

JANUARY 15, 1960.

On December 8, 1959, Pauley Petroleum, Inc., et al. (Pauley), tendered for filing Supplement No. 2 to its FPC Gas Rate Schedule No. 4. The supplement was suspended by order issued by the Commission on January 6, 1960, until June 8, 1960, and until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

On December 17, 1959, Pauley filed in this docket a separate amendment to the contract involved in Supplement No. 2 to its FPC Gas Rate Schedule No. 4. This subsequent ammendment covered the interest of Norton Clapp and was executed by him. This filing is designated as follows:

Description: Notice of change dated December 16, 1959.

Purchaser and producing area: El Paso Natural Gas Company, Spraberry Field, Reagan Co., Texas.

Rate schedule designation: Supplement No. 1 to Supplement No. 2 to Pauley's FPC Gas Rate Schedule No. 4.

Effective date: January 17, 1960.¹ Rate-in effect: 10.0 cents per Mcf. Proposed increased rate: 17.2295 cents per

In support of the proposed increased rate, Pauley states that the increased râte is just and reasonable and is instituted for the purpose of stabilizing gas prices in the Permian Basin area and that it is in line with gas rates recently approved in the area. Pauley further states that the new rate will not set in motion contractual arrangement, known to Pauley, which will cause an increase in rate paid by the ultimate consumer. which is obviously in the public interest.

The proposed increased rates and charges may be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon hearings concerning the lawfulness of the said proposed change and the above-designated supplement be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing shall be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in Supplement No. 1 to Supplement No. 2 to Pauley's FPC Gas Rate Schedule No. 4.

(B) Pending such hearing and decision thereon, the supplement is hereby

suspended and the use thereof deferred until June 8, 1960,2 and until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplement hereby suspended nor the rate schedule sought to be altered thereby shall be changed until this proceeding has been disposed of or until the period of suspension has' expired, unless otherwise ordered by the Commission.

(D) Interested State commissions may participate as provided by §§ 1.8 and 1.37(f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37(f)).

By the Commission.

[SEAL] JOSEPH H. GUTRIDE. Secretary.

[F.R. Doc. 60-670; Filed, Jan. 21, 1960; 8:51 a.m.]

INTERSTATE COMMERCE **COMMISSION**

[Notice 252]

MOTOR CARRIER TRANSFER **PROCEEDINGS**

JANUARY 19, 1960.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC 62718. By order of January 15, 1960, the Transfer Board approved the transfer to McCue Transfer, Inc., Hutchinson, Kans., of the operating rights in Certificates Nos. MC 49504, MC 49504 Sub 3, MC 49504 Sub 5, MC 49504 Sub 6, MC 49504 Sub 7, and MC 49504 Sub 10, issued January 23, 1941, December 12, 1949, August 3, 1950, April 20, 1951, January 23, 1956, and April 16, 1957, to Bernard L. McCue, doing business as McCue Transfer, Hutchinson, Kans., authorizing the transportation, over irregular routes, of lubricating oil and grease in containers, from Topeka, Kans., to Grand Island, Nebr., agricultural commodities between Grand Island, Nebr., and points in Nebraska within 50 miles of Grand Island, on the one hand, and, on the other points in Kansas, grain from points in Minnesota, North Dakota, South Dakota, and Wyoming, to points in Kansas, and salt from Hutchinson and Lyons, Kans., to points in Nebraska, from Lyons to points in Minnesota, North Da-

kota, and South Dakota, from Hutchinson and South Hutchinson, Kans., and points within one mile of Hutchinson to points in Missouri, except St. Joseph, St. Louis, and points in the Kansas City, Mo., Kansas City, Kans., Commercial Zone, from Hutchinson and South Hutchinson and points within one mile of each to points in Minnesota, North Dakota, South Dakota, and Wyoming, from Hutchinson and Lyons to points in Arkansas, points in 46 specified counties in Texas, and 14 specified counties in New Mexico, and from Kanapolis, Kans., to North Platte, Nebr. William L. Mitchell, 119 West Sherman Street, Hutchinson, Kans., for applicants.

No. MC-FC 62776. By order of January 16, 1960, the Transfer Board approved the transfer to John J. Binnig. Philadelphia, Pa., of the operating rights in Certificate No. MC 29497, issued February 7, 1941, to John V. Binnig, Philadelphia, Pa., authorizing the transportation, over irregular routes, of refrigerators, tile, marble, slate, alberene, lumber, asbestos covering, dressed stone, newspapers, and circulars, between Philadelphia, Pa., on the one hand, and, on the other, Camden and Atlantic City, N.J., and points in New Jersey within 10 miles of Camden. Theodore B. Smith, Jr., 1422 Chestnut Street, Philadelphia 2, Pa., for applicants.

No. MC-FC 62788. By order of January 14, 1960, the Transfer Board approved the transfer to L. E. Brown, Inc., 2 Fairfield Drive, Catonsville, Md., of Permit in No. MC 61619, issued July 5, 1941, to Lynwood E. Brown, doing business as L. E. Brown, 2 Fairfield Drive, Catonsville, Md., authorizing the transportation of: Starch, waste paper, scrap paper, and materials used in the manufacture of paper, from Baltimore, Md., to Spring Grove, Pa., and paper, from Spring Grove, Pa., to Washington, D.C., and Baltimore, Md.

No. MC-FC 62799. By order of January 14, 1960, the Transfer Board approved the transfer to Gormley Motor Transportation, Inc., 397 Riverside Ave., Medford, Mass., of Certificate in No. MC 34454, issued November 24, 1954, to Charles V. Gormley and Florida M. Gormley, a partnership, doing business as Gormley Motor Transportation, 397 Riverside Ave., Medford, Mass., authorizing the transportation of: General commodities, with the usual exceptions including household goods and commodities in bulk, between specified points in Massachusetts, and, radios and heavy chemicals between specified points in Massachusetts and Rhode Island.

No. MC-FC 62811. By order of Jan-uary 14, 1960, the Transfer Board approved the transfer to Perry Walters and Merl R. Reusch, a partnership, doing business as Walters & Reusch, Tonganoxie, Kansas, of the operating rights in Certificate No. MC 106276, issued August 7, 1959, to Paul Doege, Tonganoxie, Kansas, authorizing the transportation, over regular routes, of grain, feed, agricultural implements and agricultural machinery, and parts thereof, salt, hardware, seed, fertilizer, building materials, and livestock, from Kansas City, Mo., and intermediate and off-route points in

¹ The stated effective date is the first day after expiration of the required thirty days statutory notice.

^{*}Supplement No. 2 to Pauley's FPC Gas Rate Schedule No. 4 is suspended to this same date.

Missourl in the Kansas City, Mo.-Kansas City, Kans., Commercial Zone, to Tonganoxie, Kans., and intermediate and off-route points within 10 miles of Tonganoxie, and hay, eggs, poultry, straw, livestock, hides, wool, seed, and grain, from Tonganoxie, Kans., and intermediate, and off-route points within 10 miles of Tonganoxie, to Kansas City, Mo., and intermediate, and off-route points in Missouri in the Kansas City, Mo.-Kansas City, Kans. Commercial Zone.

No. MC-FC 62818. By order of January 14, 1960, the Transfer Board approved the transfer to Eastern States Transportation, Inc., York, Pa., of Permit in No. MC 117496, issued April 24, 1959, to Samuel Jannetta, doing business as Eastern States Transportation Co.. York, Pa., authorizing the transportation of: Malt beverages, advertising material, tavern supplies, paper and paperboard printed or otherwise; empty containers, new or used; exhibits or articles for display or exhibition, and all such commodities as are necessary or used in a brewery and beverage bottling plant, including those used in the shipping room and office, between Newark, N.J., and points within 30 miles thereof, and, between Newark, N.J., and points within 30 miles thereof, on the one hand, and, on the other, points in New Jersey, New York, Connecticut, Rhode Island, Massachusetts, Pennsylvania, Delaware, Maryland. Virginia, and the District of Columbia. Andrew Wilson Green, 222 North Third Street, Harrisburg, Pa., for applicants. No. MC-FC 62832. By order of Janu-

No. MC-FC 62832. By order of January 14, 1960, the Transfer Board approved the transfer to J. D. Lewis Corporation, Cordele, Ga., of a Certificate in No. MC 115494 Sub 1, issued August 21, 1957, authorizing the transportation, over irregular routes, of rough lumber and wet and dried dressed lumber, from Cordele, Ga., to points in Florida. Paul M. Daniell, Watkins & Daniell, Suite 214–217, Grant Building, Atlanta 3, Ga., for applicants.

No. MC-FC 62845. By order of January 15, 1960, the Transfer Board approved the transfer to Frank E. Donatell and James F. Donatell, a partnership, doing business as Donatell and Son, 315 Front Street, Spooner, Wis., of Certificate in No. MC 58939, issued January 31, 1941, to Frank E. Donatell, 315 Front Street, Spooner, Wis., authorizing the transportation of: Livestock, household goods, and farm machinery, between Spooner, Wis., and South St. Paul and Duluth, Minnesota.

No. MC-FC 62850. By order of January 15, 1960, the Transfer Board approved the transfer to Casey & Hayes, Inc., Boston, Mass., of Certificate in No. MC 20317, issued September 3, 1940, to James M. Hayes and William C. Casey, a partnership, doing business as Casey & Hayes, Boston, Mass., authorizing the transportation of: Household goods, between points in Suffolk County, Mass., on the one hand, and, on the other. points in Maine, New Hampshire, Rhode Island, Connecticut, New York, New Jersey, and Pennsylvania. David H. Aronson, 73 Tremont Street, Boston, Mass., for applicants.

No. MC-FC 62853. By order of January 14, 1960 the Transfer Board approved the transfer to Carl E. Shumate, Pottstown, Pennsylvania, of a Permit in No. MC 116985, issued May 28, 1958, to L. A. Pillsbury, Pottstown, Pa., authorizing the transportation of tombstones and granite, from Saint Peters, Pa., to points in New Jersey, New York, Connecticut, Vermont, Massachusetts, Rhode Island, Ohio, Delaware, Maryland, North Carolina, South Carolina, West Virginia, Virginia, and the District of Columbia. coldsteel abrasive shot, from points in Ohio to Saint Peters, Pa., and granite from points in Vermont, Massachusetts, Connecticut, New Jersey, South Carolina, West Virginia, Virginia, those in Rowan County, N.C., and the District of Columbia, to Saint Peters, Pa. Alvin L. Weiss, 411 High Street, Pottstown, Pa., for applicants.

[SEAL]

HAROLD D. McCoy, Secretary.

[F.R. Doc. 60-647; Filed, Jan. 21, 1960; 8:48 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 70-3846]

CONSOLIDATED NATURAL GAS CO.

Notice of Proposed Issuance and Sale at Competitive Bidding of Principal Amount of Debentures

JANUARY 13, 1960.

Notice is hereby given that Consolidated Natural Gas Company ("Consolidated"), a registered holding company, has filed with this Commission, a declaration and an amendment thereto pursuant to the Public Utility Holding Company Act of 1935 ("Act") designating sections 6(a) and 7 of the Act and Rule 50 thereunder as applicable to the proposed transactions, which are summarized as follows:

Consolidated proposes to issue and sell, subject to the competitive bidding requirements of Rule 50, \$25,000,000 principal amount of __ percent Debentures due February 1, 1985. The interest rate (to be a multiple of 1/8 of 1 percent) and the price to be paid to Consolidated (to be not less than 981/2 percent nor more than 1011/2 percent of the principal amount thereof, exclusive of accrued interest) will be determined by the bidding. The Debentures will be issued as the third series under the Indenture dated as of June 1, 1957 between Consolidated and The Chase Manhattan Bank, as Trustee, as supplemented by a First Supplemental Indenture dated September 1, 1957 and as to be further supplemented by a Second Supplemental Indenture to be dated as of February 1, 1960.

The proceeds from the proposed sale of debentures will be used by Consolidated to repay a short-term construction bank loan of \$10,000,000 which was obtained in 1959 and \$15,000,000 will be used to finance in part the 1960 construction programs of the subsidiaries, estimated to aggregate \$64,500,000. Con-

solidated contemplates the temporary financing of the balance of the subsidiaries' 1960 capital requirements by means of a one year bank loan, which will be the subject of a subsequent filing, and with funds generated from internal sources. Until construction funds are required by the subsidiaries Consolidated proposes to use, temporarily, a portion of the proceeds from the above sale of debentures to reduce its outstanding seasonal gas storage bank loan in anticipation of companion loan repayments by the subsidiaries and to make short-term investments in U.S. Treasury bills.

The fees and expenses to be incurred in connection with the proposed transactions are estimated to aggregate \$100,000, and include printing costs of \$41,000; trustee's charges of \$5,000; legal fee of trustee's counsel \$1,000; accountants' fees and expenses \$6,000; engineering fees and expenses of \$10,000; original issue tax of \$27,500 and miscellaneous expenses of \$3,925.

It is represented that no State or Federal commission, other than this Commission, has jurisdiction over the proposed transactions.

Notice is further given that any interested person may, not later than January 28, 1960, at 5:30 p.m., request in writing that a hearing be held on the matter. stating the nature of his interest, the reasons for such request, and the issues of fact or law, if any, raised by said declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. . Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D.C. At any time after said date the declaration, as filed or as amended, may be permitted to become effective as provided in Rule 23 of the rules and regulations promulgated under the Act, or the Commission may grant exemption from its rules as provided in Rules 20(a) and 100, or take such other action as it may deem appropriate.

By the Commission.

[SEAL]

ORVAL L. DuBois, Secretary.

[F.R. Doc. 60-648; Filed, Jan. 21, 1960; 8:48 a.m.]

VETERANS ADMINISTRATION

ADMINISTRATIVE WAIVER CRITERIA

JANUARY 21, 1960.

In accordance with § 36.4335, the following criteria have been prescribed by the Administrator under which the Chief Benefits Director or the Director, Loan Guaranty Service, may act to relieve undue prejudice which otherwise might result because of a failure or inability of a borrower or holder to comply with substantive regulatory requirements or provisions:

1. Failure of a veteran who has disposed of his home or other property for a compelling redson without fault on his part to have discharged the Veterans Administration guaranteed or insured loan indebtedness secured by such prop-

erty as required by § 36.4302(h). Waiver of such failure and recomputation of entitlement may be granted provided: (a) The veteran was compelled to dispose of the property because of imminent risk of personal injury stemming from racial animosity, or (b) the veteran in disposing of the property acted on the basis of incorrect information furnished by Veterans Administration employees, or (c) the property was disposed of because of having been substantially damaged by flood, landslide, subsidence, or other unusual circumstance, or (d) the builder is unable to correct construction defects upon the veteran's request therefor and purchases the property from the veteran but is unable to pay off the Veteran Administration guaranteed loan in connection with such purchase.

2. Failure of a veteran whose home has been destroyed or damaged by flood, landslide, subsidence, or other unusual circumstance, to the extent that occupancy or restoration is impractical to have discharged his indebtedness to the Veterans Administration resulting from the payment of a claim on the guaranty § 36.4302(h). Waiver insurance. may be granted provided there has been a compromise of the veteran's indebtedness to the Veterans Administration or the veteran has made satisfactory arrangements for the repayment of the indebtedness in installments.

3. Failure to obtain prior approval required by § 36.4303(c). Waiver may be granted provided: (a) The lender presents a reasonable excuse or explanation for such failure, (b) the loan is found to be eligible in all respects so that approval properly could have been given under existing regulations and instructions had it been requested in advance, and (c) the loan is fully current.

4. Failure of a veteran incurring non-Veterans Administration guaranteed or insured indebtedness to have applied for a guaranteed or insured loan within the time period prescribed by § 36.4306. Waiver of such failure may be granted provided: (a) It appears or the veteran represents that it was his intention to obtain permanent financing in the form of a Veterans Administration guaranteed or insured loan, and (b) the veteran did, in fact, make application, formal or informal, for such financing within a reasonable time under all the circumstances of the case.

5. Failure of veteran to pay closing costs in cash as required by § 36.4312(a). Waiver of such failure may be granted provided: Labor credit, equity in land, or trade-in was involved, and the lender acted under the mistaken belief that this met the regulatory requirement.

6. Failure to obtain advance approval for an expense or fee under § 36.4313(b) (vi). Waiver may be granted provided:
(a) Such expense or fee is found to have been reasonably necessary under the circumstances and reasonable in amount, (b) the lender presents a reasonable excuse or explanation for not obtaining approval in advance, and (c) the expense or fee properly could have

been approved under existing regulations and instructions had advance approval been requested.

7. Failure to obtain prior approval as required by § 36.4314 (a) and (d). Waiver may be granted provided: (a) The lender presents a reasonable excuse or explanation for such failure, and (b) the circumstances and the terms of extension and rate of amortization are such that approval properly could have been given under existing regulations and instructions if requested in advance.

8. Failure to obtain advance consent to the terms of a voluntary conveyance as required by § 36.4320(c). Waiver may be granted provided: (a) The circumstances are such that consent properly could have been given under existing regulations and instructions, (b) the lender presents a reasonable excuse or explanation for not obtaining such consent, and (c) there has been no increase in the amount payable under the guaranty or reduction from salvage of the security as a result of such conveyance.

9. Failure to advise within 15 days of its election to convey or transfer to the Administrator as required by § 36.4320 (a) (1), (b) and (c). Waiver may be granted provided: (a) The lender presents a reasonable excuse or explanation for such failure, and (b) the Administrator as prospective owner of the property, has not been placed in a worsened position by reason of the delay.

10. Failure to obtain prior approval as required by § 36.4324(f). Waiver may be granted provided: (a) The lender presents a reasonable excuse or explanation for such failure, and (b) the circumstances are such that approval properly could have been given under existing regulations and instructions if requested in advance.

11. Requests for deviation from the requirement of § 36.4326 that all moneys received under hazard insurance policies be applied to restoration of the security or to the loan balance. Requests may be granted provided: (a) The current reasonable value of the property is such that in relation to the outstanding loan balance there is no immediate or prospective likelihood of loss resulting to the Government if the veteran's request is granted, and (b) there is a reasonable basis for the veteran's request.

12. Failure to obtain prior approval as required by § 36.4343. Waiver may be granted provided: (a) The lender presents a reasonable excuse or explanation for not obtaining prior approval, (b) the loan is found to be eligible and acceptable in all respects, (c) approval properly could have been given in advance under existing regulations and instructions if requested, and (d) the loan is current in all respects.

13. Failure to obtain prior approval as required by § 36.4355. Waiver may be granted provided: (a) The lender presents a reasonable excuse or explanation for such failure, (b) the circumstances are such that approval properly could have been given under existing regula-

are such that approval properly could have been given under existing regulations and instructions if requested in advance, and (c) the original loan and

all supplemental loans are current in all respects.

14. Requests for deviation from the definition in § 36.4501(d). (a) Requests for deviation to permit the purchase of residential property containing more than one residential unit may be granted provided: (1) The veteran demonstrates a reasonable need for the property proposed to be purchased, and (2) the income of the veteran is adequate to meet the mortgage payments without relying on any rental from the other unit.

(b) Requests for deviation to permit the purchase or construction of residential property containing a business unit or more than one residential unit may be granted provided: The Veteran Administration failed to note the nonconformance of the dwelling to the regulation requirements and issued a commitment to make a direct loan, and the parties acted in reliance upon that commitment.

(c) Requests for deviation to permit the purchase or construction of residential property containing a business unit may be granted provided: The dwelling contains or will contain a single business unit reasonably suitable and necessary to the conduct of the veteran's business, profession, or other means of earning a livelihood which will be used by the borrower for such purpose, and said business unit does not substantially interfere with the use and enjoyment of the residential portion of the property.

15. Requests for deviation from the requirements of § 36.4507(a). Requests may be granted provided: (a) It appears or the veteran represents that it was his intention to obtain permanent financing in the form of a Veterans Administration guaranteed or insured loan, or a direct loan, and (b) the veteran did, in fact, make application, formal or informal, for a direct loan within a reasonable time under all the circumstances of the case.

16. Requests for deviation from the provisions of § 36.4515(c). (a) Requests may be granted provided: (1) A paraplegic veteran has expended his own funds in the acquisition and improvement of land on which he plans to build a home with the aid of a paraplegic grant and a direct loan, and (2) the veteran did not have actual knowledge of the requirements of § 36.4515(c) at the time he acquired the land or made the improvements.

(b) Requests may also be granted provided: (1) The Veterans Administration is aware of the racial restriction but fails to take timely action to ascertain the date of its creation and recording or to caution the veteran concerning the effect of § 36.4515(c), and (2) the veteran, without actual knowledge of the effect of the section, acts on the Veterans Administration's direct loan commitment to his substantial detriment.

[SEAL] ROBERT J. LAMPHERE,
Associate Deputy Administrator.

[F.R. Doc. 60-653; Filed, Jan. 21, 1960; 8:49 a.m.]

NOTICES

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs [Bureau Order 551, Amdt. 57]

APPROVAL ARTICLES AND BYLAWS, **COOPERATIVE ASSOCIATIONS**

Redelegation of Authority

JANUARY 18, 1960.

Section 123 of Order 551 is amended and the present text is designated paragraph (a); and a new paragraph, designated (b), is added to read as follows:

SEC. 123. Approval articles and bylaws. cooperative associations.

(b) Authority to act as the authorized representative of the Commissioner on all matters except those reserved to the Commissioner for action pursuant to the bylaws of the Alaska Native Arts and Crafts Cooperative Association, Inc.

> GLENN L. EMMONS, Commissioner.

[F.R. Doc. 60-629; Filed, Jan. 21, 1960; 8:45 a.m.)

Bureau of Land Management OUTER CONTINENTAL SHELF OFF LOUISIANA AND TEXAS

Oil and Gas Lease Offer; Amendment

The acreage administratively assigned to the tracts listed below, included in the oil and gas lease offer of December 16, 1959 (24 F.R. 10411, on page 10414), is corrected as follows:

> LOUISIANA OFFICIAL LEASING MAP NO. 5 SHIP SHOAL AREA

Tract No.	Block	Description	Acre- age
LA. 764 1. LA. 765 1.	127 127	That portion in Zone 3, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956. That portion in Zone 4, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	50 4, 950

¹ These tracts are limited by the line (seaward boundary line of the State of Louislana as defined by Act 33 of the Louislana Legislature of 1984), which was defined in the Agreement of Oct. 12, 1956, between the United States and the State of Louislana, as the seaward boundary of Zone 3 for the purpose of administration of the areas pending settlement of court proceedings.

The oil and gas lease offer of December 16, 1959 is amended accordingly.

> EDWARD WOOZLEY, Director.

JANUARY 15, 1960.

[F.R. Doc. 60-630; Filed, Jan. 21, 1960; 8:45 a.m.1

Office of the Secretary WALTER BRENTON

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Pro-

duction Act of 1950, as amended, and Executive Order 10647 of November 28. 1955, the following changes have taken place in my financial interests during the past six months:

- (1) None.
- (2) None. (3) None.
- (4) None.
- This statement is made as of January 15, 1960.

Dated: January 15, 1960.

WALTER BRENTON.

[F.R. Doc. 60-634; Filed, Jan. 21, 1960; 8:46 a.m.]

RALPH W. FACKLER

Statement of Changes in Financial **Interests**

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past six months:

- (1) None
- (2) Additions: Burlington Industries.
- (3) None.
- (4) None.

This statement is made as of January 13, 1960.

Dated: January 13, 1960.

RALPH W. FACKLER.

[F.R. Doc. 60-635; Filed, Jan. 21, 1960; 8:46 a.m.]

LESTER R. GAMBLE

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b) (6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past six months:

- None.
- (2) None.
- None.
- (4) None.

Dated: January 15, 1960.

LESTER R. GAMBLE

[F.R. Doc. 60-636; Filed, Jan. 21, 1960; 8:46 a.m.]

FRANK W. GRIFFITH

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b) (6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past six months:

- (1) None.
- None. (2)
- (3) None. (4) None.
- This statement is made as of January 14, 1960.

Dated: January 14, 1960.

FRANK W. GRIFFITH.

[F.R. Doc. 60-637; Filed, Jan. 21, 1960; 8:46 a.m.1

VIVAN B. JONES

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past six months:

- (1) None.
- (2) None. (3) None.
- (4) None.

This statement is made as of January 13, 1960.

Dated: January 13, 1960.

VIVAN B. JONES.

[F.R. Doc. 60-638; Filed, Jan. 21, 1960; 8:46 a.m.1

MAX R. LLEWELLYN

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b) (6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past six months:

- No change.
- (2) No change.
- (3) No change.
- (4) No change.

This statement is made as of January 13, 1960.

Dated: January 13, 1960.

MAX R. LLEWELLYN.

[F.R. Doc. 60-639; Filed, Jan. 21, 1960; 8:46 a.m.]

JOHN P. MADGETT

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b) (6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past six months:

- (1) No changes.
- (2) No changes.
- No changes.
- (4) No changes.

This statement is made as of January 1. 1960.

Dated: January 13, 1960.

JOHN P. MADGETT.

[F.R. Doc. 60-640; Filed, Jan. 21, 1960; 8:47 a.m.]

GORDON S. MEYRICK

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past six months:

- None.
- (2) Delete: H. M. Byllesby Co.
- None.
- (4) None.

This statement is made as of January 14, 1960.

Dated: January 14, 1960.

G. S. MEYRICK.

[F.R. Doc. 60-641; Filed, Jan. 21, 1960; 8:47 a.m.]

S. J. SICKEL

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b) (6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken. place in my financial interests during the past six months:

- (1) None.
- (2) None. (3) None.
- (4) None.

This statement is made as of January 13, 1960.

Dated: January 13, 1960.

S. J. SICKEL.

[F.R. Doc. 60-642; Filed, Jan. 21, 1960; 8:47 a.m.]

WILLARD B. SIMONDS

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b) (6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past six months:

- (1) None.
- (2) "Big Bayou Investment Club" has been dissolved and interest in all listed se-
- curities disposed of.
 (3) "Big Bayou Investment Club" has been dissolved.
 - (4) None.

This statement is made as of January 15, 1960.

Dated: January 15, 1960.

WILLARD B. SIMONDS.

[F.R. Doc. 60-643; Filed, Jan. 21, 1960; 8:47 a m.]

STANLEY C. TOWNSEND

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, an Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past six months:

- (1) None.
- (2) Additions: Tennessee Gas Transmission Co., Tompkins County Trust Co. of Ithaca, N.Y. Deletions: American Can Co., Missouri Pacific Railroad Co., Garrett Corp.

 - (3) None. (4) None.

This statement is made as of January 13, 1960.

Dated: January 13, 1960.

STANLEY C. TOWNSEND.

[F.R. Doc. 60-644; Filed, Jan. 21, 1960; 8:47 a.m.]

W. D. WILDER

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28. 1955, the following changes have taken place in my financial interests during the past six months:

- (1) None.
- (2) None.
- (3) None.
- (4) None.

This statement is made as of January 13, 1960.

Dated: January 13, 1960.

W. D. WILDER.

[F.R. Doc. 60-645; Filed, Jan. 21, 1960; 8:47 a.m.]

[Order 2508, Amdt. 34]

BUREAU OF INDIAN AFFAIRS

Delegation of Authority

Section 30 of Order No. 2508, as amended (20 F.R. 3834, 5106; 21 F.R. 7027, 7655; 24 F.R. 272), is further amended by addition of a new subparagraph to read as follows:

SEC. 30. Authority under specific acts.

(11) July 31, 1959 (Pub. Law 86-121; 73 Stat. 267).

FRED A. SEATON, Secretary of the Interior.

JANUARY 15, 1960.

[F.R. Doc. 60-646; Filed, Jan. 21, 1960; 8:48 a.m.]

DEPARTMENT OF COMMERCE

Office of the Secretary **CERTAIN OFFICIALS**

Delegation of Authority To Affix the Seal of the Department of Com-

1. Pursuant to authority vested in the Secretary of Commerce by law, including Reorganization Plan No. 5 of 1950, (1) the Chief Administrative Officer of each primary organization unit, (2) the Director, Office of Administrative Operations for the Office of the Secretary and constituent units thereof, and (3) the heads of Departmental Field Offices in their own behalf and for the convenience of field installations of the primary organization units of the Department, are hereby authorized to sign as Certifying Officers certifications as to the official nature of copies of correspondence and records from the files, publications and other documents of the Department and to affix the seal of the Department of Commerce to such certifications or documents for all purposes, including the purposes authorized by 28 U.S.C. 1733(b).

2. This delegation shall not affect or prejudice the use of properly authorized office or bureau seals in appropriate cases.

Dated: January 15, 1960.

PHILIP A. RAY, Acting Secretary of Commerce.

[F.R. Doc. 60-671; Filed, Jan. 21, 1960; 8:51 a.m.]

FREDERICK L. GRAF

Report of Appointment and Statement of Financial Interests

Report of appointment and statement of financial interests required by section 710(b)(6) of the Defense Production Act of 1950, as amended.

Report of Appointment

- 1. Name of appointee: Mr. Frederick L. Graf.
- 2. Employing agency: Department of Commerce, Business and Defense Services Administration.
- 3. Date of Appointment: Jan. 13, 1960.
- 4. Title of position: Consultant (Technical Assistant to the Director), Electrical Equipment Division.
- 5. Name of private employer: Westinghouse Electric Corporation, East Pittsburgh, Pennsylvania.

CARLTON HAYWARD. Director of Personnel.

JANUARY 4, 1960.

Statement of Financial Interests

6. Names of any corporations of which the appointee is an officer or director or within 60 days preceding appointment has been an officer or director, or in which the appointee owns or within 60 days preceding appointment has owned any stocks, bonds, or other financial interests; any partnerships in which the appointee is, or within 60 days preceding

appointment was, a partner; and any other businesses in which the appointee owns, or within 60 days preceding appointment has owned, any similar interest:

Ashland Oil Co. Sinclair Oil Co. Westinghouse Electric Corporation. Bank Accounts.

FREDERICK L. GRAF.

JANUARY 15, 1960.

[F.R. Doc. 60-654; Filed, Jan. 21, 1960; 8:50 a.m.]

RAYMOND E. HEBERT

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the Federal Register during the last six months:

A. Deletions: No change.B. Additions: No change.

This statement is made as of January 11, 1960.

RAYMOND E. HEBERT.

JANUARY 11, 1960.

[F.R. Doc. 60-655; Filed, Jan. 21, 1960; 8:51 a.m.]

DEPARTMENT OF JUSTICE

Office of Alien Property RACHEL GOLDSMITH ET AL.

Notice of Intention to Return Vested Property

Pursuant to section 32(f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Property, and Location

The State of the Netherlands for the benefit of: Rachel Goldsmith, Lea Goedknegt-Goldsmith, Aaltje Kesner, Isaac Kesner, Marks Kesner, Jacob Worms, Leendert Worms, Helntje Worms, Henriette Dasberg, Elisabeth Dasberg, Gerrit Schaap, Abraham Schaap, a

minor, Louis Gerrit Schaap, a minor, Hendrina Korper, Froukje Schuurmans, Johanna Maria Porcelijn, Jansje Porcelijn, a minor, Rachel Kets-de Vries, Rebecca Dekker-Zwartverwer, Judith Reens-Zwartverwer, Rebecca Cohen-Pels, Nina Schneck-Karels, Maria Luise Pels-Fijrk, Judith Pels, Philip Pels, a minor, Nico Louis Pels, a minor, Eva Mouwes-Pels, Siegmund Mouwes, Fritz Mouwes, a minor, Annie Bakker-Ziff, Leo Soester, Israel Wolf Ziff, Hijman Ziff, Levie Ziff, Rosa Polak-Ziff, Abraham Milhado, Leonard Milhado, Siene Vergragta-Milhado, Roza Binger-Tokkie, Philip Milhado, Branca Noort-Milhado, L.S. Claim No. 1024. \$2,969.69 in the Treasury of the United States. All right, title and interest of the Attorney General acquired pursuant to Vesting Order No. 18521 (16 Fed. Reg. 10097, October 3, 1951) in and to: Southern Pacific Company 4/49 Bond Nos. 4073, 9283, 14899, 16473, and 23092; Southern Railway Company 4/56 Bond No. 49111, all in the principal amount of \$1,000 each.

Vesting Order No. 18521. Netherlands Embassy, Office of the Financial Counselor, 25 Broadway, New York 4, New York.

Executed at Washington, D.C., on January 18, 1960.

For the Attorney General.

[SEAL] PAU

PAUL V. MYRON, Deputy Director, Office of Alien Property.

[F.R. Doc. 60-656; Filed, Jan. 21, 1960; 8:49 a.m.]

CUMULATIVE CODIFICATION GUIDE—JANUARY

A numerical list of parts of the Code of Federal Regulations affected by documents published to date during January. Proposed rules, as opposed to final actions, are identified as such.

3 CFR Pa	ge 7 CFR—Continued	Page 7
Proclamations:	903	75 1
	39 905—908	75 1
	01 911-913	75 1
Executive Orders:	914 5, 34, 163, 23	8, 375, 428 1
	78 916-919	75 1
	33 921	75 1
10858	73 923	75 P
5 CFR	924	75, 463
6 105, 217, 4	25 925	75
	7 920-932	75
	01 933 139, 14	1, 164, 165
	T 930	75
6014	930	403
	1 931	238
6 CFR	941—944	75
	33 946	75
	33 948—949	75
	29 952	
351 35,	76 953 5, 16	
354	76 954	75
4211, 3	1.001	75 472
427		414
	~~ 0.0% 0.00	75
		75 9
4852	13 971—972	75 P
7 CFR	980	(0 -
52 457. 4	61 982	75
	75 985—988	75 "
	27 991	75 2
722214, 23	37 994—995	75 1
	61 998	75 P
	28 1000	75
	73 1001	429
	75 1002	75 1
730 40	62 10041005	75 40
850329, 331, 33	32 1008—1009	75 4
877 2	14 1011—1014	75 4
	1	- 1

7 CFR—Continued Page 1016	ons, are identified as such.	
1016	7 CFR—Continued	Page
1017		75
1023		
1023	1018	. 75
1069	1023	
Proposed rules: 352 312 728 218, 219 900-1027 245 913 149 927 293 942 115 946 44 947 293 954 500 958 353 960 183 970 59 973 311 989 515 1002 9,535 9 CFR Proposed rules: 131 151 12 CFR 222 281 13 CFR 222 281 13 CFR 27 556 14 CFR 40 167, 168 41 167, 169		249
Proposed rules: 352 312 728 218, 219 900-1027 245 913 149 927 293 942 115 946 44 947 293 954 500 958 353 960 183 970 59 973 311 989 515 1002 9,535 9 CFR Proposed rules: 131 151 12 CFR 222 281 13 CFR 222 281 13 CFR 27 556 14 CFR 40 167, 168 41 167, 169	1109	105
352	Proposed rules:	
728	352	312
900-1027 245 913 149 927 293 942 115 946 44 947 293 954 500 958 353 960 183 970 59 973 311 989 515 1002 9,535 1009 9,535 9 CFR Proposed rules: 131 151 12 CFR 222 281 13 CFR Proposed rules: 107 556 14 CFR 40 167, 168 41 167, 169		
927 293 942 115 946 44 947 293 954 500 958 353 960 183 970 59 973 311 989 515 1002 9,535 1009 9,535 9 CFR Proposed rules: 131 151 12 CFR 222 281 13 CFR Proposed rules: 107 556 14 CFR 40 167, 168 41 167, 169		
927 293 942 115 946 44 947 293 954 500 958 353 960 183 970 59 973 311 989 515 1002 9,535 1009 9,535 9 CFR Proposed rules: 131 151 12 CFR 222 281 13 CFR Proposed rules: 107 556 14 CFR 40 167, 168 41 167, 169	913	149
942 115 946 44 947 293 954 500 958 353 960 183 970 59 973 311 989 515 1002 9,535 1009 9,535 9 CFR Proposed rules: 131 151 12 CFR 222 281 13 CFR Proposed rules: 107 556 14 CFR 40 167, 168 41 167, 169	927	293
946 44 947 293 954 500 958 353 960 183 970 59 973 311 989 515 1002 9,535 1009 9,535 9 CFR Proposed rules: 131 151 12 CFR 222 281 13 CFR Proposed rules: 107 556 14 CFR 40 167, 168 41 167, 169	942	115
954 500 958 353 960 183 970 59 973 311 989 515 1002 9,535 1009 9,535 9 CFR Proposed rules: 131 151 12 CFR 222 281 13 CFR Proposed rules: 107 556 14 CFR 40 167, 168 41 167, 169	946	44
958 353 960 183 970 59 973 311 989 515 1002 9,535 1009 9,535 9 CFR Proposed rules: 131 151 12 CFR 222 281 13 CFR Proposed rules: 107 556 14 CFR 40 167, 168 41 167, 169	947	293
960 183 970 59 973 311 989 515 1002 9,535 1009 9,535 9 CFR Proposed rules: 131 151 12 CFR 222 281 13 CFR Proposed rules: 107 556 14 CFR 40 167, 168 41 167, 169		500
970 59 973 311 989 515 1002 9,535 1009 9,535 9 CFR Proposed rules: 131 151 12 CFR 222 281 13 CFR Proposed rules: 107 556 14 CFR 40 167, 168 41 167, 169	958	353
973 311 989 515 1002 9, 535 1009 9, 535 9 CFR Proposed rules: 131 151 12 CFR 222 281 13 CFR Proposed rules: 107 556 14 CFR 40 167, 168 41 167, 169	960	
989 515 1002 9, 535 1009 9, 535 9 CFR Proposed rules: 131 151 12 CFR 222 281 13 CFR Proposed rules: 107 556 14 CFR 40 167, 168 41 167, 169		
1002 9,535 1009 9,535 9 CFR Proposed rules: 131 151 12 CFR 222 281 13 CFR Proposed rules: 107 556 14 CFR 40 167, 168 41 167, 169		
1009 9,535 9 CFR Proposed rules: 131 151 12 CFR 222 281 13 CFR Proposed rules: 107 556 14 CFR 40 167, 168 41 167, 169		
9 CFR Proposed rules: 131 151 12 CFR 222 281 13 CFR Proposed rules: 107 556 14 CFR 40 167, 168 41 167, 169		
Proposed rules: 131	1009	9, 535
Proposed rules: 131	9 CFR	
131 151 12 CFR 222 281 13 CFR Proposed rules:		
12 CFR 222		151
222 281 13 CFR Proposed rules:		101
13 CFR Proposed rules:		
13 CFR Proposed rules:	222	281
Proposed rules: 556 14 CFR 40 167, 168 41 167, 169		
107556 14 CFR 40167, 168 41167, 169		
14 CFR 40167, 168 41167, 169		
40167, 168 41167, 169	107	55 6
40 167, 168 41 167, 169	14 CFR	
41 167, 169		7 160
49	41	7 160
	4216	7 170

14	CFR—Continued Page	26 (1939) CFR	Page	43 CFR—Continued	Page
60				191	500
507.	76, 334–336, 377, 378, 473	29		193	500
	105, 107, 108, 171–174, 336, 378, 430	39	350	200	500
	107–109, 172–174, 336–339, 378, 430	26 (1954) CFR		Proposed rules:	
602.	174 108, 109, 217, 336–339	1	39-41, 381, 482, 533	- 160	81
600	175 270	301	 78, 143, 343	161	81
	175, 379 474	504	145	Public land orders:	
	339	Proposed rules:	_	27	
	9403	1	178, 220, 410	28	409
Pro	posed rules:		43, 44, 516	76	
	60 391	280	111	101	
	376 389	29 CFR		2020	535
	406	403	433	2038	
	507204, 220, 250	779	497	2039	
	514 204	Proposed rules:	431	2041	111 111
	600 63,	614	412	2042	244
	82, 84, 122, 220, 221, 250, 516, 517	615	412	2043	409
	601 62, 63, 83, 84,	31 CFR		2044	535
	122, 220-222, 250, 251, 516, 517			2045	535
	602 85, 86, 123, 124, 222, 518	321		2046	535
16	CFR	330			
13		339	407	46 CFR	
	282–284, 342, 376, 431, 432, 477, 478	32 CFR	_	10	145
17	CFR	56	497	70	149
	posed rules:	206	211	72	146
FIU	230 151	208		73	146
	270	517	42	110	
		33 CFR 1		157	149
19	CFR	92	110	172	8
	141	203	78	187	149
	6	207	388	Proposed rules:	
	78, 243			201380	60
22	142	36 CFR .		222	359
	143	Proposed rules:		47 CFR	
20	CFR	· 7	389	2	7
237	479	38 CFR		6	349
Pro	posed rules:	3	245 240 400 522	11	7,79
	401 18		340, 346, 409, 533	16	79
21	CFR	39 CFR		20	7
		43	499	21	349
	110, 143	41 CFR		Proposed rules:	
	241, 404 343, 404, 535			1	286
	242	Proposed rules: 50-202	411	3	
	2 37		411	21	
	242	42 CFR			
	237, 243	21	43	49 CFR	
1466	243	33		43	434
Pro	posed rules:	51	43	73	217
	120 121, 317	53	43	95	80, 81
	121 61, 249, 556	55	43	120	
23	CFR	71		145	
20		72		186	
		73	43	Proposed rules:	
	CFR	Proposed rules:		10	63
	284	55		170	
320.	284	73	61		00
25	·CFR	43 CFR		50 CFR	
	posed rules:	70	500	6	284
	221 388	71			285

ı
-